

EUROPEAN NEWS

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US ready to negotiate chemical arms treaty

By William Dalfovo in Geneva

THE US yesterday reaffirmed its readiness to negotiate an international treaty banning chemical weapons. But Mr Donald Lowitz, the US chief delegate, told journalists after addressing the UN disarmament conference, the treaty had to be "all-inclusive", containing assurances against future production and use of chemical weapons as well as the destruction of existing stockpiles and facilities.

The Soviet announcement at the end of the last session of the conference in April that it was prepared to accept on-site inspection of the destruction of its plants was welcomed but not as comprehensive as had been hoped, Mr Lowitz said.

Moscow's concession indicated the "possibility of a meeting of minds" over the destruction of facilities, but it did not address fully the issue of verification, he said.

In the draft treaty proposed by Vice President George Bush in 1984 the US staked out its position that any international agreement on chemical weapons had to include the right to inspection on challenge.

"We cannot enter any convention unless we are sure it is equitable, verifiable and ensures compliance," Mr Lowitz said. But he added, the US was not bound to every word in the Bush document.

It was looking for "some response" (from the Soviet Union) that is not a flat "no" but allows us to engage in discussions on challenge inspection."

Mr Lowitz denied that the Reagan Administration's plan to resume production of new chemical weapons after a 17-year lapse was inconsistent with its avowed desire to negotiate a treaty banning the weapons.

The US had to protect itself until agreement had been reached but once a convention had been agreed whatever chemical weapons it had would be subject to that convention, Mr Lowitz said.

The negotiations on a chemical weapons ban were given fresh life by President Reagan and Mr Mikhail Gorbachev at their summit meeting here last November. The US and the Soviet Union are holding bilateral talks on chemical weapons in Geneva simultaneously with the discussions in the 40-nation UN conference.

Rupert Cornwell reports on the national consequences of a state election Lower Saxony rehearses the federal battle

FEW POLITICIANS could differ more than the young self-made left-wing Social Democrat Gerhard Schroeder, with his graying good looks, and the smooth creature of power Ernst Albrecht, his polished Christian Democrat rival, as they battle for the state of Lower Saxony reaches its climax at the ballot box this weekend.

The two do have one thing in common: the realization that while the cameras and tape recorders may have hung upon their every, much repeated, word throughout the weeks of an exhausting election campaign, they are in truth but minor players in a rather larger plot.

Regrettable though it may be to some nostalgic politicians, the fact is inescapable. State elections in West Germany, which crop up at the rate of two or three a year, are now miniature replicas of their federal brothers. Never has this been more true than in the case of Lower Saxony, where the hopes, fears, and possible outcomes on Sunday evening provide an uneasy forecast of what will be on offer next January 25 when the entire country chooses a new parliament in Bonn.

This weekend could itself have immediate national consequences. A CDU defeat would deprive the Centre-Right coalition of its present majority in the Bundestag, or upper house of Parliament, made up of representatives from the individual state governments, and conceivably threaten its future legislative plans.

Insofar as "local" issues exist and are discussed, they are applicable at a national level—for example the disgruntlement



Mr Johannes Rau, SPD candidate for federal Chancellor, and Mr Ernst Albrecht, Lower Saxony Prime Minister

of the farmers who would normally be an unwilling reservoir of Christian Democrat support—not just across the flat fertile countryside of Lower Saxony with its 5.6m electors, but in West Germany as a whole.

But even the farmers hardly feature any longer on the hustings. Mr Schroeder hardly refers to the specific problems of Lower Saxony, apart from the perils that a further four years of "the conservatives" in power would entail, and Mr Albrecht's approach is not dissimilar.

Small wonder, for not only are the issues national in favour, the tactical considerations after the election eclipse the politicking before it, especially for the SPD. Those considerations are exclusively national. Most tantalising of all, the result is anyone's guess.

Few reckon that the Christian

Democrat, despite the generally competent performance of Mr Albrecht since he took over as Prime Minister in February 1978, can repeat the feat of 1982 when they won control of the state on their own, with 50.7 per cent of the vote.

The best of the forecasts give them 46 or 47 per cent implying that this time a CDU majority, if there is to be one, will depend on the ability of their Free Democrat (FDP) allies in Bonn to secure the 5 per cent required for seats in the Hanover parliament. The latest polls suggest that those proved electoral escapologists could yet pull it off again—although much hinges on a statistician's margin of error.

One person who has no doubts that things are on the mend is Mr Helmut Kohl, Unloved and accident-prone.

The Chancellor had earlier been tartly advised that the best service he could render his party in the state was to stay away during the campaign. But at a rally in Hameln on a glorious Tuesday afternoon this week, it was almost the man of old: piper-like never, it is true, but determined and oozing stolid confidence.

In private the Chancellor is said to be hugely uplifted by the recent "acquittals" handed him by prosecutors investigating charges that he lied to parliamentary enquiries probing the "Flick" political payments affair. He believes, too, that the appointment of West Germany's first ever fully fledged Environment Minister has helped dispel a reputation for indecisiveness, just at the moment when public anxiety in the wake of Chernobyl, so detrimental to the Government, may be starting to ebb.

Such optimism of course may be misplaced: and a resounding defeat in Lower Saxony might yet whet the CDU's appetite for rapid retributive, in time for a successor to lead them into the Bundestag vote just seven months off. But the problems of the SPD, though less obvious, are no smaller.

In village halls and on television screen alike, Mr Schroeder comes across well. But he will not, barring an earthquake of which there is no sign, win a majority on his own. Four years ago the SPD captured only 36.5 per cent, a gap which even mid-term electoral ennui and discontent with the Government is unlikely entirely to close.

His problem, therefore, is simple enough: what to do about the Greens on his left, if their support, tacit or explicit, is needed for him to form a government? As Mr Kurt Biedenkopf, one of the sharpest minds in the CDU but miserably for us to lose in Lower Saxony: "but the SPD will not find it very comfortable to win."

Mr Schroeder has vowed he will not form a "Red-Green" coalition, should Sunday's numbers point in that direction. But even some hardy coming "toleration," or indirect support of a minority Social Democrat Government would fuel the suspicion that Mr Johannes Rau, the SPD's candidate for Chancellor in January, might do just that in Bonn were circumstances similar, whatever his protestations to the contrary.

The quandary has generated yet more exotic speculation: that the SPD might extend issue-by-issue support to a minority CDU administration in Hanover: even that Schroeder, if his party does emerge as the biggest on Sunday, could prevaricate and ultimately provoke new elections, to be held simultaneously with those for Bonn.

That though is for next week, and the Social Democrats have to win first. In the meantime Mr Kohl used his typically extended bout of oratory in Hameln for the sort of speech he will be making in the winter chill ahead—dwelling on the issues which move Germany: economic recovery, law and order, and the need to rekindle a national spirit—not least in the shape of more German children. It hardly set his audience alight. But ten dress rehearsals rarely do.

Portugal's balance of payments hopes soar

BY DIANA SMITH IN LISBON

PORTUGAL EXPECTS a balance of payments surplus of about \$600m this year, a reversal of the original gloomy forecasts of the Cavaco Silva Government which had expected a deficit of a similar sum.

Despite the current account surplus of \$420m last year, thanks to the easing of austerity and the continuing weakness of import demand, the Government had expected economic growth this year to result in a sizeable current account deficit.

However, there has been a

major turnaround in the current account thanks to an oil price windfall that saves about \$60m this year, good agricultural forecasts that could save \$200m in food imports, and export growth that is less spectacular than 1984-85 but is still steady.

However, private enterprise, expected to respond strongly to the call of a centre-right government bent on liberalising the economy, has not delivered the massive increase in investment the administration had hoped for.

A liberalised foreign investment code promised since last November, which obeys EEC rules and reduces bureaucratic hurdles for foreign investors, has still not been issued. Obstacles are apparently finding it hard to relinquish discretionary power over who is or is not allowed to invest.

Through capital and money markets gained new dynamism this year, there is a speculative aura around the stock exchange and the heavy volume of trading is more a reflection of few stocks chased by many buyers than of

strong company results attracting solid medium or long term investment.

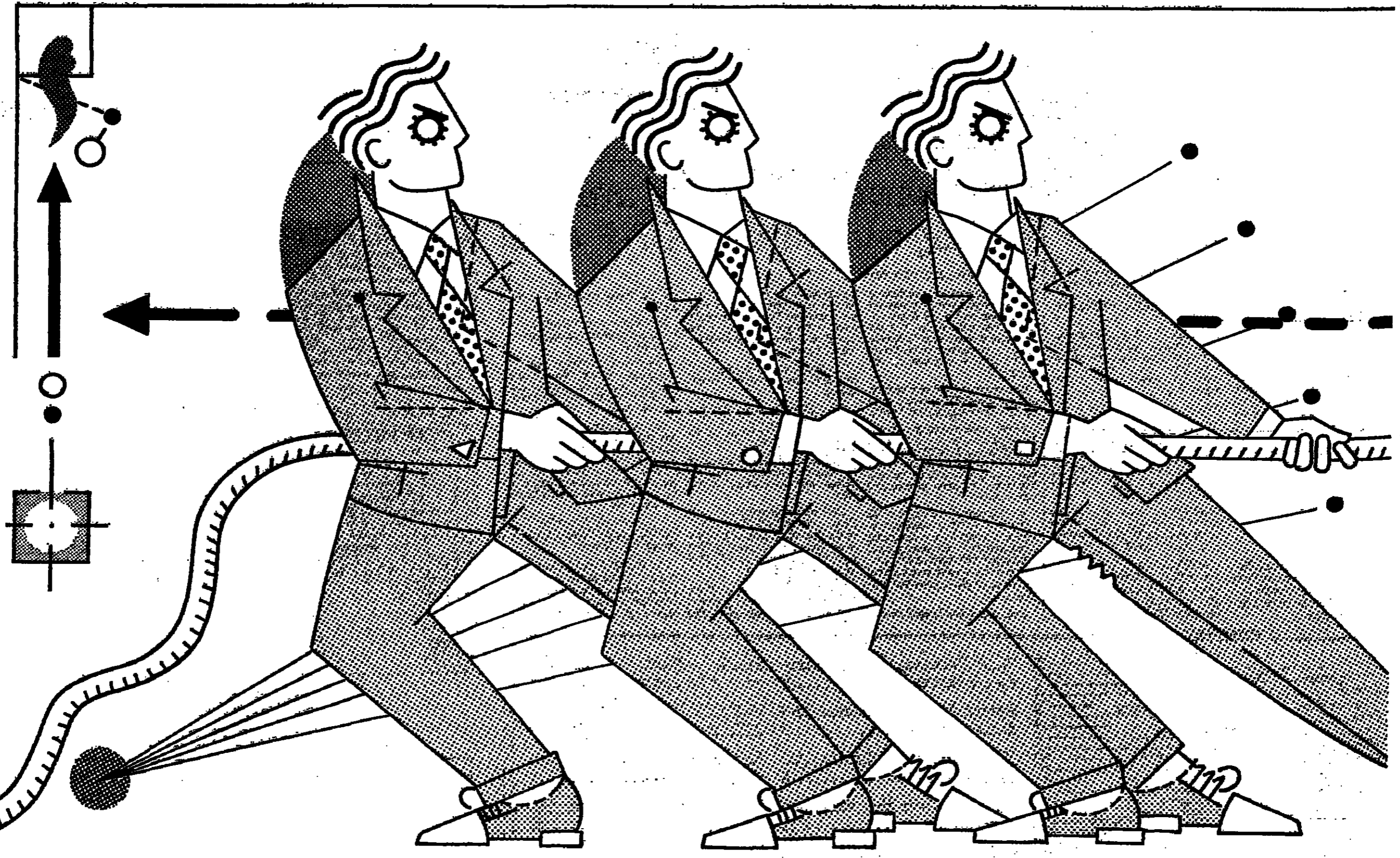
EEC membership meanwhile has brought the promise of massive structural funds but, because of the EEC's budget problems few have yet been allocated, much to the Lisbon Government's annoyance. While Spain is rushing to take commercial advantage of its new EEC status, Portugal is marking time this year, and though this temporarily helps its balance of payments it is less healthy for the future of the economy.

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EUROPEAN NEWS

UK softens opposition to EEC industrial air pollution proposals

BY PAUL CHEESEBRIGHT IN LUXEMBOURG

EUROPEAN COMMUNITY attempts to devise a collective system for cutting air pollution from industrial plants yesterday moved from the forlorn to the vaguely hopeful as the UK signalled a shift in its outright opposition.

The British Government had been adamant in its refusal to accept now dead European Commission proposals for a 60 per cent cut in sulphur dioxide emissions and a 40 per cent cut in nitrogen oxide emissions over period 1980 to 1992.

It is prepared to look carefully at lower proposals launched yesterday by the Netherlands at a meeting of environment ministers. The Dutch now hold the presidency of the Community's Council of Ministers.

"The Dutch have made a serious attempt to break the logjam," said Mr William Waldegrave, the Minister for the Environment, who had been the most vigorous critic in the council of ministers of the original Commission proposals based essentially on West German legislation.

"I'm not saying Yes and I'm not saying No," Mr Waldegrave added as he noted that calculations on the cost and effect of the Dutch proposals could be completed within the next four to six weeks.

The calculations may have to be done more rapidly than that because the Netherlands may decide to raise the matter of air pollution at the Community summit to be held in The Hague at the end of the month.

Dutch proposals in effect



Mr Waldegrave: "serious attempt to break logjam"

spread out the rigour of the Commission proposals by saying that there should be a 45 per cent cut in sulphur dioxide emissions by 1995 with the full 60 per cent to be reached by the year 2005. Any plans coming on stream would have to meet the original Commission target and the rules would apply to all industrial installations with a capacity of 50 Mw or more. The base reference year would remain 1980.

This last point remains a problem for the UK which has consistently doubted whether the effect of the cuts in emission levels is worth the cost of bringing them about—estimated for the UK at some £5bn. It believes that the base year from

which cuts ought to be calculated should be the year in which pollution was at its highest. For the UK this means 1970. There was a considerable clean-up during the 1970s.

Although the Dutch proposals look like meeting fairer weather than those of the Commission ever did, British caution is allied to opposition from Portugal, which started building power stations this decade, and to worries about cost from Italy and Ireland.

To some extent, the Dutch have already catered for national difficulties by proposing that the Community meet the overall cuts targets by demanding different rates of cleaning-up. Thus Germany and France would be expected to make a 70 per cent cut in sulphur dioxide emissions, the UK 40 per cent and Spain 10 per cent.

So far the Netherlands has not decided what should be done about nitrogen oxide emissions.

Environment ministers yesterday agreed that a directive which controls the movement of toxic waste should be tightened up by raising the ceiling on key chemicals which can be held by a company before the authorities are notified. Among the list of chemicals are methyl isocyanate (in the aftermath of the Bhopal disaster), chlorine and phosgene.

They also agreed measures to enhance their systems of exchanging information about the quality of surface fresh water.

Competition policy asserted

BY TIM DICKSON IN BRUSSELS

A POWERFUL assertion of the "positive" nature of EEC competition policy was delivered in Brussels yesterday by Mr Peter Sutherland, the Irish Commissioner responsible for this aspect of Community affairs.

Introducing a new report on the subject, Mr Sutherland also called on courts in member states to apply more extensively their power to enforce the competition rules "so that they are made more accessible to the ordinary citizen."

EEC competition policy is essentially designed to outlaw state subsidies and restrictive practices by companies which inhibit free access to the Com-

munity's markets. Mr Sutherland said yesterday that such a policy should be seen as "a positive means of directing European industry which can make Europe competitive in world markets, promote new technology, and encourage greater cohesion in the Community."

Competition policy, for example, was an important tool in helping to open up the EEC internal market, a task which, contrary to popular opinion, is not just concerned with removing frontier barriers. "Cartels, monopolies, and state subsidies can be just as disruptive to

internal trade," Mr Sutherland maintained.

"The Commission intends to develop further its policy in the field of intellectual property, know-how licensing and copyright. Its proposed guidelines on joint ventures are intended to encourage co-operative activity among enterprises on a European level and also have significant implications for firms planning co-operative link ups on R and D."

"Fifteenth Report on Competition Policy." Office for Official Publications of the European Communities, Luxembourg. Price Ecu-12.81 (£7.40).

Inflation rate falls in France to 2.3%

FRANCE'S annual inflation rate fell to 2.3 per cent in May from 2.6 per cent in April according to provisional figures from Insee, the Government's statistics institute. Paul Betts writes from Paris.

Consumer prices increased by 0.3 per cent in May after rising by 0.4 per cent in April and March figures were disappointing, although expected by the Government. The 2.3 per cent rate is slightly higher than the rate which the previous Socialist Government had forecast but is still only half last year's rate of 4.7 per cent.

Swiss prices held

Price increases in Switzerland last month were held to an eight-year low of 0.7 per cent compared to 1.0 per cent in April, the Government said yesterday. AP reports from Bern.

Olympic flights halted

More than 90 Olympic Airways domestic and international flights were cancelled yesterday on the second day of a strike by 600 pilots and flight engineers employed by the state-run carrier. AP writes from Athens.

Four pilots who were arrested on Wednesday for defying a government order to keep the airline in operation. They face jail terms of up to 10 years.

EEC gift to Poland

The European Parliament unanimously adopted a resolution yesterday calling for surplus European Community dairy stocks to be given to Poland where radiation from the Chernobyl nuclear reactor disaster affected milk supplies. Reuter reports from Strasbourg.

Greenpeace crew held

Police in the north Norway port of Vardoe yesterday were considering whether to lay charges against the crew of the Greenpeace protest ship Moby Dick arrested by Norwegian Coast Guard on Wednesday night. AP reports. Moby Dick had been confronting Norwegian whalers in the North Atlantic and seized in Baastfjord.

Tom Burns on the campaign of 'the most sincere young man in Spain' Freedom, democracy—and Felipe

PRIME MINISTER Felipe Gonzalez campaigns for the June 22 general elections only at weekends. When he meets the crowds after a week's work in the Moncloa Palace, he treats them to the oddest of political messages: "I'm not here to ask for your vote, I don't want you to vote what I tell you to vote," he says. "I want you to vote freely, I want you to know you can vote for whoever you want."

By the end of the three-week campaign Mr Gonzalez will have given 17 mass meetings, staged in bullrings, sports stadiums and parks, carefully scheduled not to coincide with the times when Spain's World Cup matches in Mexico are on television. Some 200,000 voters one out of every 150, will have attended them.

Travelling in a private jet between cities accompanied always by his lovely wife Carmen, the 44-year-old Socialist Premier mesmerises audiences. He starts off quietly, waving his arms to silence the chants of Fe-li-pe, Fe-li-pe: "I want to talk to you about our present and our future, about where we are and where we are going."

Soon he is in full swing,



ing out: "This time the Spanish people will not lose the battle of history."

Saragossa's bullring was packed out on Saturday night after Spain had beaten Northern Ireland. Dona Piedad Navarro, a sprightly 60-year-old dressed completely in black and with her white hair in a neat bun, had come from Egea de Los Caballeros, a walled town 80 miles away where the Cortes (parliament) once met in the 13th century. She had been waiting for hours to make sure of her front row seat to hear Mr Gonzalez.

With her beaming, toothless smile she seemed to personally lead the Spain down the ages that the Prime Minister was talking about. She said she had seen it all and suffered it all. "What do I like about Felipe? He's the most sincere young man in Spain," she said.

Dona Piedad became very emotional when Mr Gonzalez launched into his "gratitude" theme, a sure winner everywhere he has spoken. He said he doesn't care what happens to him on June 22 because "I will always be grateful, always, for the confidence that you have

placed in me these last four years. Grateful because you have allowed me to represent a free people, to represent Spain with decorum and honour, to go with my head high in Buenos Aires, in Moscow and in Washington."

Mr Gonzalez tells his listeners that economic recovery is on the way, that the foundations of welfare have been laid but that much remains to be done. "Don't ask that what was never done in 200 years should have been done in three and a half years," he appeals to the crowds.

On one subject Mr Gonzalez becomes very eloquent and passionate. The consolidation of democracy is the greatest conquest in our history, he says. "You are free now to vote. There is nothing threatening you. You are free. There is nothing to be afraid of, there is nobody to scare you. You are free, free."

Dona Piedad has seen in her lifetime, a monarchy, a republic and a dictatorship come and go. She has lived through revolutionary strikes, military coups and a civil war. Mr Gonzalez didn't have to ask her for her vote.

World space body proposed by Moscow

THE Soviet Union yesterday proposed the creation of an international space organisation to promote projects including manned flights to other planets, Reuter reports from Moscow.

The proposal, made in a letter from Prime Minister Nikolai Ryzhkov to Mr Javier Perez de Cuellar, the United Nations Secretary-General laid out a programme beginning with a world conference on space to be held not later than 1990.

In the first stage, a world space organisation would be established concentrating on such as communications, navigation, weather forecasting and studying the earth for agricultural purposes.

In the second phase, in the first half of the 1990s, the organisation would design and build space systems which could study how to preserve the earth's biosphere—the part of the world where life can exist.

Easing of foreign exchange law progresses in Italy

BY JAMES SUXTON IN ROME

ITALY'S CHAMBER OF Deputies yesterday approved the reform of the notorious law 159, which prescribes draconian penalties for breaches of foreign exchange regulations.

Under law 159, which was rushed into effect in 1976 at a time of dire economic crisis, an Italian who exports or holds abroad any sum over L5m (£2,200) is theoretically liable to up to six years imprisonment.

Yesterday's actions by the Chamber of Deputies, the lower house of parliament, will move to L100m the point at which the currency offence comes into the category of a criminal offence liable to a prison term.

But the bill still has to win final Senate approval. Mr Nicola Capria, the Minister for Foreign Trade, said yesterday that he believed this last approval should now be obtained shortly and without difficulty.

The abolition of law 159 has

been the aim of a long campaign by lawyers and others who consider it highly illiberal as well as frequently contradictory. The bill to reform the law was presented to Parliament in late 1983, but has not had a smooth passage, mainly because of the large number of amendments put forward by the opposition Communist party, which, though not altering the spirit of the reform, affected its details.

Judges have lately responded to the impending reform of law 159 by postponing prosecutions under the legislation. Many recent cases concerned Italian travellers who have simply exceeded by a narrow margin the limits on how much money they could take abroad for holidays.

If reform of the law is finally approved, it will complement recent steps taken by the Bank of Italy and the Government to ease restrictions on foreign exchange transactions.

Chemical plant fire alarms Polish town

By Christopher Bobinski in Warsaw

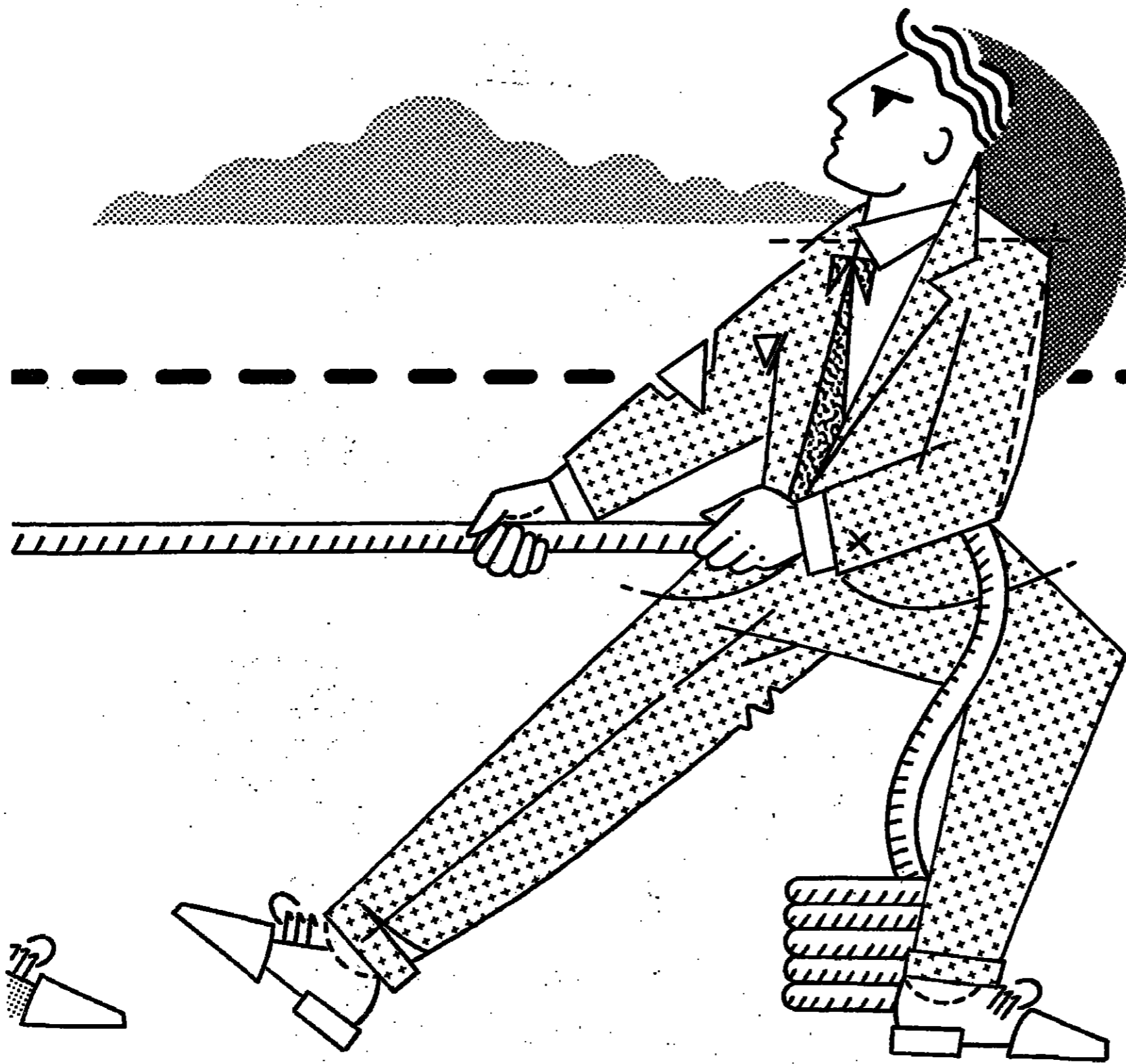
FEARS FOR the safety of the 50,000 people of Skarzysko Kamienna in central Poland have led the local council to condemn central government plans to restart production at a local chemical plant after a potentially disastrous fire on May 21.

The action by the local government council—which is normally little more than a rubber-stamp body—shows the strength of feeling in the town about the issue.

The fire at the Benzyl Organika works threatened the release into the atmosphere of lethal chlorine gas.

Local fire officials say that storage of chemicals at the plant counteracted safety regulations while the management, backed by the Chemical Ministry, has resisted repeated attempts by the Polish safety inspectorate to have the plant moved.

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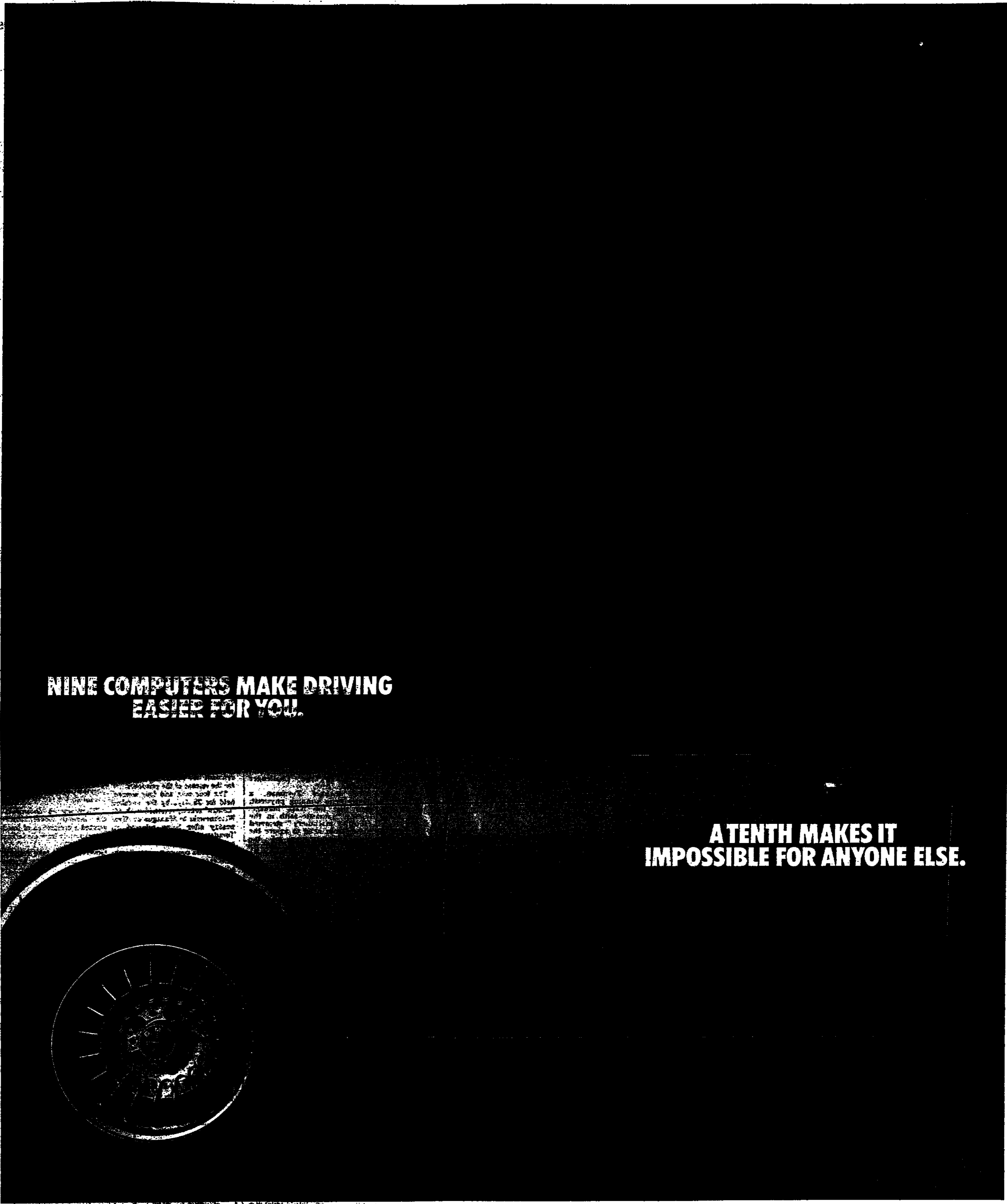
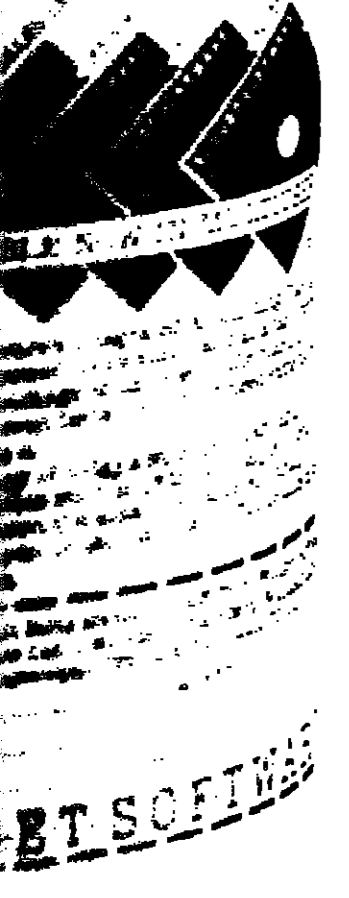
German political Contra support

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TECHNOLOGY

Easing a headache for the oil companies

Nick Garnett on the vital role of monitoring gas turbine engines for pipelines

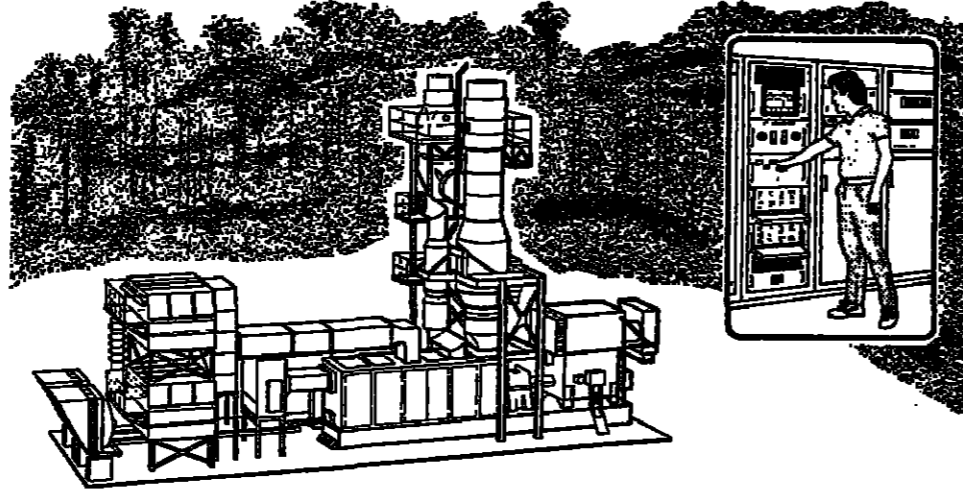
ACROSS the wastes of Siberia, Alaska's permafrost and other inhospitable corners of the world, oil and gas pipelines have one thing in common. They present operating companies with a continuous headache — how best to monitor and maintain the gas turbine engines used to power the pumps and compressors along their lengths?

Just a 1 or 2 per cent drop in the efficiency of a few of these many thousands of engines in service can cost millions of dollars a year in lost oil or gas output. Because of dirt from the environment, ageing components or lack of maintenance a typical engine runs at anything between 5 to 10 per cent below peak performance.

Monitoring and maintenance has therefore become vital, with major technological advances increasingly taking over from the likes of a man on a camel who pops round every few weeks to check the engine's oil level. At their leading edge these new technologies involve the use of satellite data transmission.

Gas turbines are usually controlled from pumping stations spaced along the pipeline. These stations can switch the engines on and off, control their speeds and receive rudimentary information about how they are performing.

Within the past two years companies like General Electric of the US and Ruston Gas Turbines, part of GEC in the UK have been introducing much more sophisticated control and monitoring equipment which will have important implications



Ruston Tornado gas turbines. Inset: Microprocessor-based control system

for scheduling maintenance and raising engine operating efficiency.

This new monitoring equipment uses an array of transducers attached to various parts of an engine which transform measurements into electronic signals along wires connecting the engine to the pumping or main pipeline control station. This technology has been used for many years but the latest equipment can now provide information never before available to engineers.

The control equipment supplied for Ruston's Tornado engine (and which can be supplied for any other of its engines) uses, for example 20 locations to measure the tem-

perature of air in the engine, another 20 for oil temperatures around the bearings, and a similar number to assess engine vibration.

This information appears on a colour monitor, remote from the engine and which has a graphic display of the engine's internal workings. The press of a button will reveal, for example, exact temperatures in the engine's exhaust.

The equipment can be used for a variety of purposes. These include controlling surge in the engine when back pressure becomes too high and the fuel flow breaks down, and operating combined heat and power systems where the turbine exhaust is fed to a boiler. In

this case microprocessors control water supply to the boiler and auxiliary firing to boost steam output. Exhaust emissions can be regulated at a distance by controlling the injection of water into the combustion chambers.

By monitoring the relationship between temperature of the engine, air and fuel flow, engineers should be better equipped to predict when an individual gas turbine needs cleaning. Vibration levels and bearing temperatures will also give clues as to whether a component is about to fail.

Advanced monitoring equipment does not come cheap, however. Every engine requires its own monitoring cabinet with

display screen, each unit sold by Ruston costing £50,000-£100,000.

Against that are the savings in running engines more efficiently with greater likelihood that serious shutdowns of power can be avoided.

With this increasing amount of data about the way gas turbines are behaving in the field, oil companies are now looking at the use of satellites to transmit this data to head offices or operations centres which could be thousands of miles from the pipeline.

This is becoming attractive partly because of the long-term maintenance and purchase planning that it allows and also because there are worries that the local technicians in the field might not have the experience or the time to cope with the mass of new data coming on stream.

Many companies already use satellites. BP for example transmits data from its North Sea operations into and via a satellite link, but this is likely to have only basic information about the operation of the gas turbines.

Operators on the north slope of Alaska are now commissioning much more complex information transmission systems which will include comprehensive gas turbine monitoring.

For their part the turbine manufacturers are aware of one possible snag. The more information an oil or gas company has about the performance of its hardware, the more it might have to worry and to complain about to the companies that supplied the turbines.

Automated guided vehicles trip the light fantastic

AUTOMATED guided vehicles using a more reliable form of optical tracking have been installed at the Weensrecht, Netherlands, plant of Fokker-Elmo, which produces aircraft wiring harnesses.

Developed by the industrial automation systems division of Litton Industries of the US, the vehicles have optically-based systems which follow a line painted on the factory floor, but the line is inactive until an ultraviolet lamp on the vehicle makes it emit visible light of a specific colour by fluorescence.

The system solves the problems of erroneous guidance signals that can be produced

are queued in Bufferbox until extracted, or can be printed out as soon as they arrive. The introductory price is £820.

PROGRAMMABLE CONTROLLER company Square D of Swindon UK (0793 616222) is offering a new communications processor which will integrate manufacturing systems based on MAP (manufacturing automation protocol).

MAP is the General Motors initiative aimed at getting automation equipment makers to produce hardware and software to agreed specifications based on the "open network" standards now being finalised by the International Standards Organisation.

A variety of factory floor programmable devices from different makers can be connected to the Square D product, which is called Sy-Gate. In turn, Sy-Gate gives access to a MAP network and also performs the functions of a manufacturing cell controller.

LASER SCALPEL systems offering high power, good mechanical flexibility and compact size for surgery have been launched by Matsushita Industrial in Japan.

A sealed carbon dioxide laser tube is used which needs no external gas supply and has a life of about 1,000 hours. The tube feeds its intense light output into a fibre optic cable rather than using the conventional articulated mirror arrangement. Some thirty watts of light power are fed to the tissue being cut.

WORTH WATCHING

Edited by Geoff Charfish

from other light sources when a vehicle is trying to follow a line of ordinary white paint. In the new system, the tracking optics are "tuned" to the light emitted by the fluorescent chemical.

A patented guidance system, in combination with microprocessor controls, allows programming of complex routes and stop/start sequences. Flexible routing and layout changes can be carried out overnight to meet changing needs of production or warehouse operations.

ELECTRONIC MAIL comes directly to the desk rather than through a bureau mailbox using an electronic unit called Bufferbox from Teletop of Gerrards Cross, UK (0753 382028).

There is no longer any need to check a bureau mailbox several times a day, in case someone has sent a message, or pay mailbox charges, claims Teletop.

Those with electronic mail or other simple communicating terminals can dial the destination number and enter messages into the unattended Bufferbox at any time. Incoming messages go straight into the unit, which sits under the telephone and will indicate when it has received something. Messages

Elaine Williams

TANNOY
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Low-cost exchanges for small businesses

PHONE EXCHANGES for the very small business, or even for the home, have been put on the market by Lyx Communications Systems of Swindon, UK. (0793 616717).

The Lyx MX5, made in Britain by Standard Telephones and Cables, allows one public exchange line to serve up to five separate extensions, without the need for an operator. Any one of the extensions can be used for an external call while the



remaining four can be used for one or two separate intercom calls.

Basically a communications microcomputer, the MX5 costs about £300 and is housed in a wall-mounted, book-sized box to which the exchange line and the five extensions are connected. Most standard rotary dial or push button phones can be used.

This small, stored-program exchange provides facilities usually associated with larger units, such as call hold (while talking to another extension), call transfer, and conference calls.

Swedes take better aim at cancer target

A NEW machine under test at Umeå Hospital in northern Sweden may lead to better treatment of cancer patients. The SKR 25m (£3.45m) "race track microtron" has been developed by Scanditronix, one of Sweden's most advanced technology companies.

It is designed to target more accurately on cancer tumours. The major drawback with existing radiation treatment is that a large area of good tissue is destroyed along with the tumour. This often affects the long-term recovery of patients.

The Scanditronix machine overcomes the basic dis-

advantage of traditional radiation therapy devices — which can produce one beam of single intensity — by producing a number of different X-ray and high energy beams, of varying intensity, shaped to the tumour. This has never been achieved before in medical applications.

So far, Scanditronix, with a turnover of SKr 120m (£16.56m) a year is the only company with this type of machine, though in the market for cancer treatment devices it faces competition from much larger concerns like Variant of the US and Siemens and Philips of Europe. The market for large

radiation therapy machines is limited, mainly because of the cost of the equipment, with perhaps six sales a year at most. However, several hospitals in the US have expressed interest in the Scanditronix machine and are awaiting research data from the Umeå trials.

The Swedish company is already a market leader in positron emission cameras (pet cameras) which are used for the identification of tumours.

Its machine for destroying the tumour, once it is identified, represents a break with the design of more traditional devices for this purpose.

In a normal electron accelerator or microtron a stream of electrons are accelerated in a circular magnetic field. When the desired speed has been reached, the electrons are taken out of magnetic field and are smashed against a target to produce X-rays or be used directly in the cancer treatment.

Scanditronix has split in half the circular magnetic field and placed a linear accelerator between the two halves so that the electrons now travel along a path reminiscent of a race track. This results in a higher energy gain and the electrons

can be removed at a number of different energy levels.

These beams travel along guideways to a computer-controlled head in an adjacent treatment room. The system is so complex that the microtron and its control equipment take up three large rooms. The treatment head which delivers the radiation to the patient has 64 tungsten shutters, similar to those of a camera. The computer controls the aperture of the shutters and can be programmed to target the treatment onto the exact shape of a tumour.

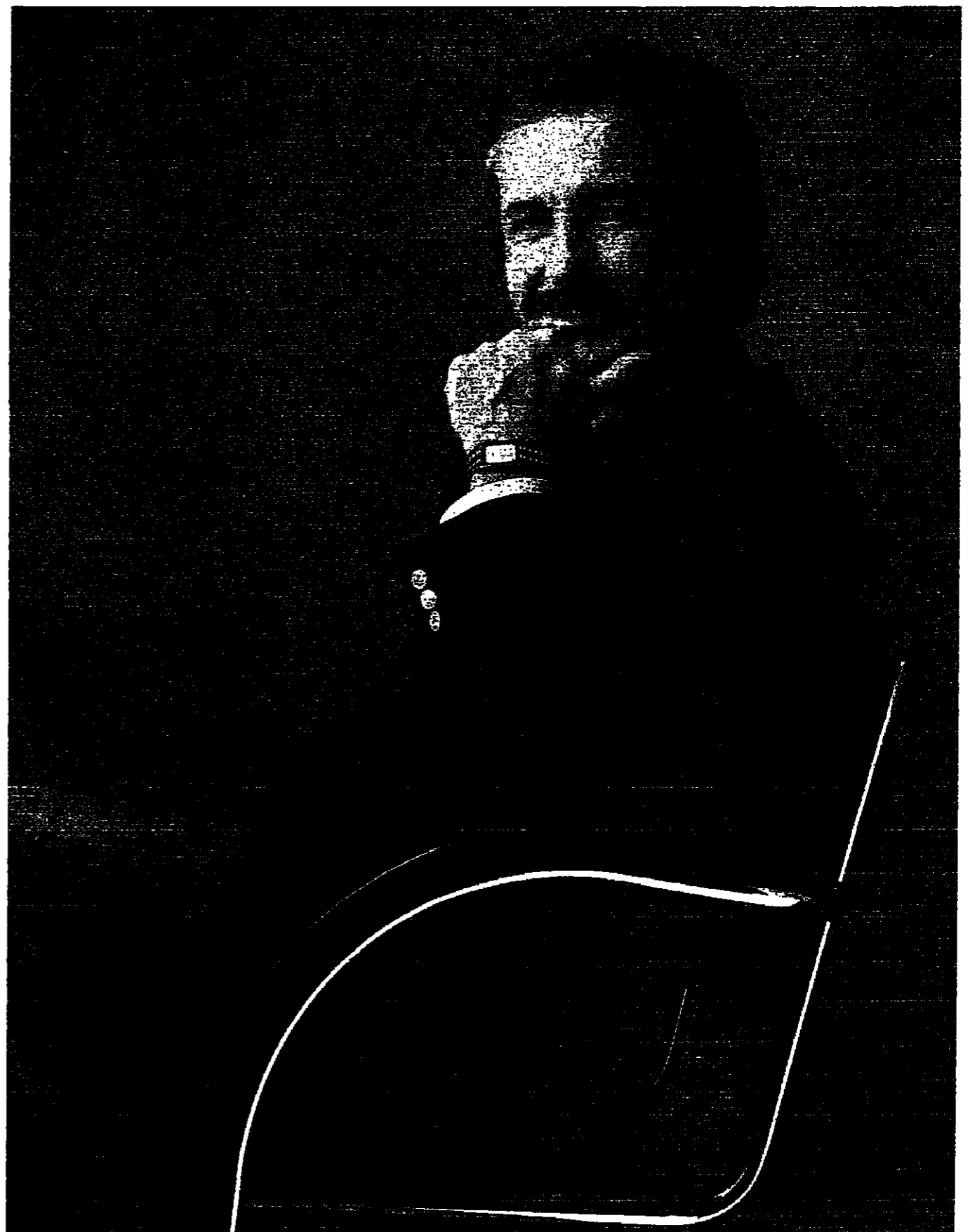
Elaine Williams

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مكتبة ابن بطوطة

ADVERTISEMENT

Prince William to wed in May

By Will Webb in Washington
As widely anticipated, the wedding of Prince William and Miss Sarah-Jane Bannham has been fixed for July 4th.

Miss Bannham will depart from the Home of the Daughters of the American Revolution, of which she is a member, following Constitution Avenue, to meet the Prince of Wales' coach.

No future for fortune telling

By Will Webb
It was a glum crowd of astrologers, palmists and assorted seers who gathered in the lavish ballroom of Brighton's Grand Hotel to hear speaker after speaker hold out little hope for the future of their trade.

Opposition leads in USSR polls

The ruling Communist Party is approaching next week's election with mounting trepidation after the disastrous Kiev by-election and a recent Pravda poll showing a four-point lead to the Socialist Alliance.

Nostalgia for 80s sweeps pop world

There was a major sensation at last night's Music Industry Awards as eighties rock star Madonna, 23, walked off with no less than six of this year's top nine prizes.

£150m tobacco seized in drug swoop

Officers of the Metropolitan Drugs Squad this morning seized an estimated £150m of contraband tobacco in a series of dawn raids throughout the capital.

Mars astronauts return to earth

The 3rd European Viking Mission returned to earth yesterday, splashing down into the Bay of Biscay after an epic 180m kilometre flight from Mars.

Wisniewski and his deputy Martha Beauchamp finding themselves at the end of a road in front of a small building from which a sulphurous spring issued and flowed down a narrow gully.

uncrossable. In a distant cavern, a pile of gold, egg shaped nuggets was found but the crew were unable to collect specimens as an ugly troglodytic creature appeared and drove them away.

Foreign visitors to the Delhi Olympics, due to open in a week's time in the newly built Indira Gandhi stadium, are experiencing massive delays as a backlog of unscheduled flights clogs Palam Airport.

Flight chaos in run-up to Delhi Olympics

By our Delhi Correspondent
Foreign visitors to the Delhi Olympics, due to open in a week's time in the newly built Indira Gandhi stadium, are experiencing massive delays as a backlog of unscheduled flights clogs Palam Airport.

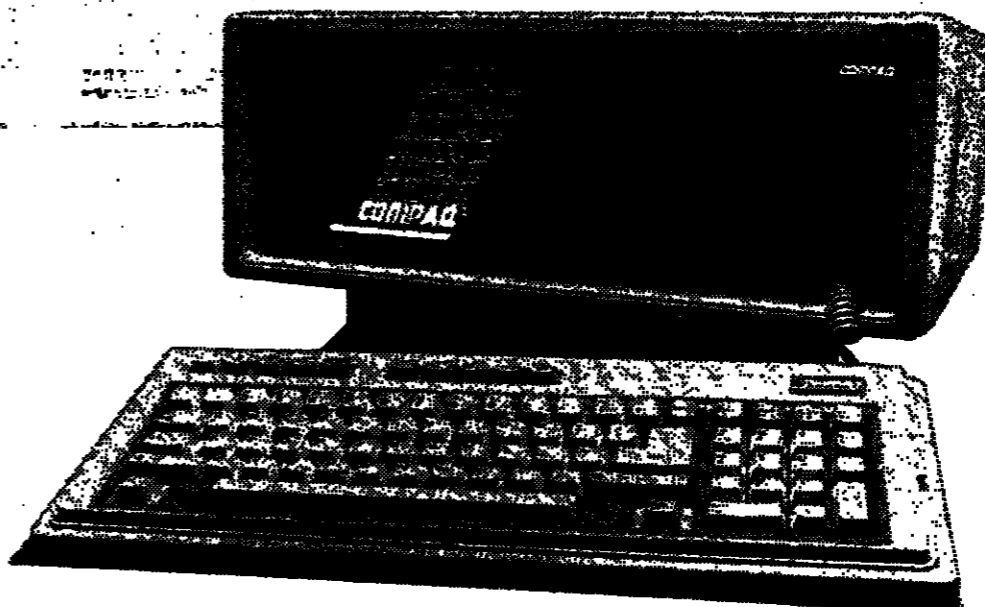
Abadia seeks U.K. Aid

The Abadian Government announced today that it is seeking British help to expand its successful solar industry.

debate on Energy and Resources. Abadian Prime Minister Ahmed Al Mansour said 'Ever since the oil and nuclear options were exhausted, it has been clear that Saharan-African countries, together with India would have to assume responsibility for the world's leading producers of grain and power will soon be bringing large benefits to the energy-poor northern nations.

once drought- and famine-ridden nations of Africa into the world's leading producers of grain and power will soon be bringing large benefits to the energy-poor northern nations.

VII agreement made it imperative to develop and maximise solar energy production in the Sahara.



Like everything else on this page, it's somewhat ahead of its time.

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Jhan Yamani, leader of both the Muslim Democrats and the Workers' Federation, declared at a recent protest rally that his party may boycott the forthcoming national election.

report: Alions
Friday June 13 1986
Austerly package for Tumb



CHAIRMAN

LANDLORD



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It makes sense to go round the bend.

WORLD TRADE NEWS

Louise Kehoe in San Francisco reports on 'agreement to agree' between the US and Japan on microchip markets

US chip makers agonise over benefits of Japanese negotiation

AS THE US and Japan continue negotiations on the details of a framework agreement to settle their disputes over semiconductor trade, US chip makers are anxiously assessing the results of their year-long campaign to counter what they see as unfair Japanese trade practices.

Although the "agreement to agree" on a resolution of the trade dispute is widely seen as a victory for the US industry, with details of the settlement still to be worked out, there is some concern that the accord will not represent the long-term comprehensive solution that US chip makers have sought.

The "agreement to agree" was achieved in talks between Dr Clayton Yeutter, US Trade Representative, and Mr Maschiro Watanabe, Japan's Minister of Trade and Industry.

Initial reactions from the industry have been extremely cautious, apparently because they fear that any comment at this stage might upset negotiations, and also because they tend to take a jaundiced view, despite their past enthusiasm for seeking a Government-negotiated settlement with Japan. "We have heard a lot of promises from the Japanese in the past, with no results," says one industry official.

There is also growing concern that the terms of the agreement, when they become public, will not fully meet the expectations of the US chip makers. "US

chip makers don't want to be railroaded into a politically expedient settlement," observed Mr Michael Kubiak, an industry analyst at Kidder Peabody and Co, in San Francisco.

The US industry's oft-stated goal has been to create a "level playing field" for free trade competition in the \$25bn world semiconductor market, reversing a trend toward growing Japanese domination. With trade complaint suits, filed last year, US chip makers aimed to eliminate non-tariff barriers which, they claim, have prevented them from gaining their fair share of Japanese chip purchases. Another important issue has been finding a way to prevent Japanese companies dumping chips in the US at "below fair value" prices.

Both issues will be addressed in the accord. Although details of the agreement are still being worked out, US chip makers are expected to be promised a 20 per cent share of the \$8bn Japanese chip market, roughly doubling their current sales in Japan, over a five-year period.

In return, two major dumping charges against Japanese chip makers covering "dynamic random access memory" chips and "erasable programmable read-only memory" chips will be suspended.

In addition, the governments of the US and Japan are expected to set up a price and production cost monitoring system designed to ensure that

It is not often that Japanese industry and Japanese Government officials disagree in public as a result, both sides are putting up a public front of "no comment" on the recent framework agreement reached between the US and Japan on semiconductor trade, writes Carla Rapport in Tokyo.

Privately, however, Japanese electronics industry executives are disgruntled with the progress of the talks, with reactions that range from outrage to resigned disappointment. "I think the Japanese side has suffered two losses but made no gains. We are the scapegoats of all this trade friction," said a senior executive at one of Japan's largest electronics companies.

The Japanese expect the

settlement between the US and Japan to include a commitment to boost the US share of the Japanese market by 20 per cent, or a commitment to triple US semiconductor sales in Japan in dollar terms within five years.

Second, they expect that the US Department of Commerce will assign each Japanese chip exporter a "fair value" for chips sold in the US. This fair value may also apply to chips made in third countries. The value is also expected to be passed on to EEC officials, in order to prevent charges of a US-Japan semiconductor cartel.

Both results, according to Japanese industry executives, are unfair to the Japanese. Major chip purchasers point out, for example, that more than half the chips bought by Japanese companies are used

in consumer goods, while the figure in the US is much lower.

One major VCR maker said that 83 per cent of the semiconductors it buys are designed for its specific needs, and according to a recent survey it had conducted only 3 per cent of its needs could be satisfied by American makers.

"My impression is that Miti is giving in to the US, rather than fighting our case with statistics," said an industry executive. "The most sophisticated chips in the world are being developed here in Japan," comments another bitterly. "When the US realised it was behind, it filed these complaints."

Miti has shifted its stance in the past year from a defensive one to a more con-

ciliatory posture. This is partly because the Government did not want the humiliation of losing the US 301 unfair trade suit, nor did it think the industry could survive an imposition of dumping duties or quotas on dynamic random access memory chips, particularly as the new 1 megabit market is now picking up.

One Japanese executive noted that US companies had made large investments in Europe to avoid high tariffs, which accounted for their relatively large market share in Europe.

"But where is the investment here?" he asked, Japanese executives also fear that Texas Instruments, the one US company which is a major producer of chips in Japan will be exempt from any price monitoring system.

would severely limit the effectiveness of the system from the US point of view.

"If the Japanese can sell chips in the 'rest of the world market' for lower prices than they can sell in the US, then this will accelerate the movement of US computer makers offshore," points out Mr Kubiak.

He also says that the 8 per cent profit margin above production costs that "for consideration a 'fair price' under US law is precious little. US manufacturers could not compete with such prices in many cases. By setting a floor price on semiconductors the scheme might encourage Japanese manufacturers to lower the prices of many of their products, he fears.

Nonetheless, any agreement on the part of the Japanese to raise prices must be helpful to the US industry. "For the first time the US industry will be able to increase its market share both in Japan and the US, says another analyst. She predicts that Japanese manufacturers will lose market share in the US when they are unable to undercut US prices.

Crucial aspects of the US semiconductor industry's problems with Japanese competition are beyond the scope of the trade agreement. Most important is the loss of free trade in commodity semiconductors. Given the continuing litigation their fears may not be realised.

the cost of a new production plant averaging over \$50m, this gives Japanese companies a major advantage.

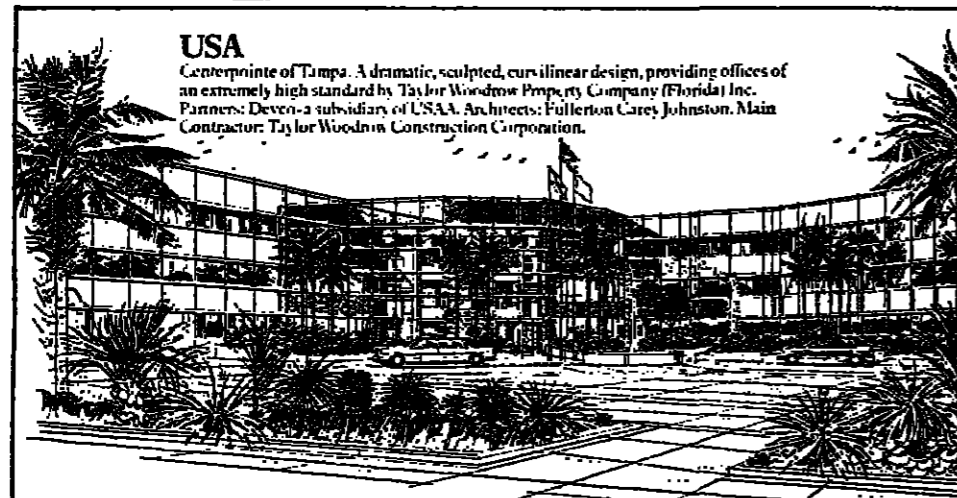
Another unresolved issue is alleged Japanese copying of US chip designs. Intel, a major US chip maker, is currently battling NEC, one of the largest Japanese semiconductor manufacturers in a complex court case that centres on charges that the Japanese company has infringed Intel's microprocessor copyrights, and Texas Instruments is suing eight Japanese and one Korean company.

Texas Instruments, the largest US chip maker, has also filed a related trade complaint that has been described by US International Trade Commission officials as potentially the largest ever in terms of the value of products that it covers.

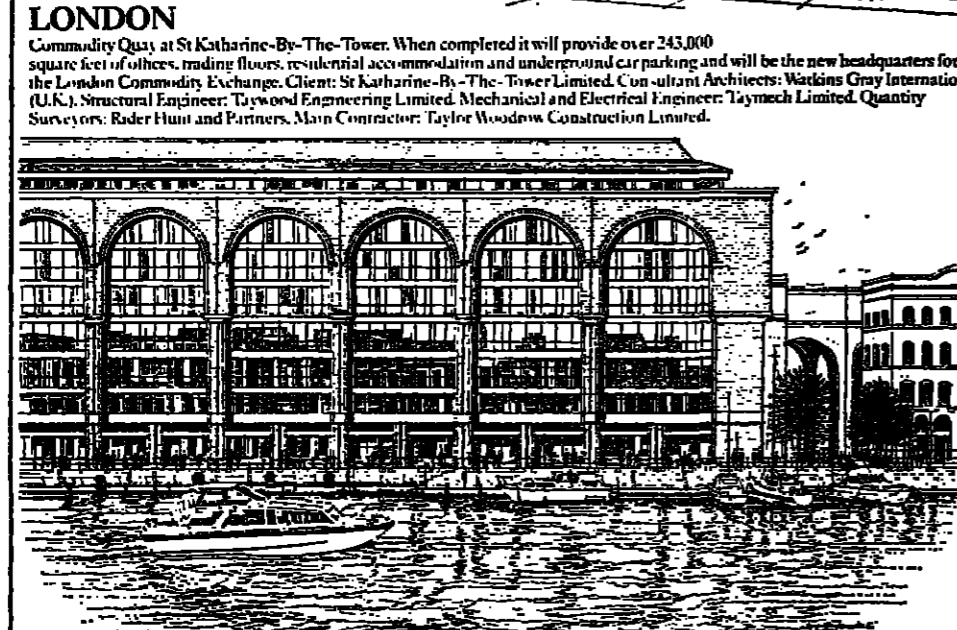
But the greatest discomfort in US semiconductor industry circles concerns Government control of semiconductor trade. Although the industry sought Government intervention to solve its trade problems, industry leaders are strong "free trade" advocates. They resent suggestions that by agreeing on price guidelines with their Japanese competitors they are effectively setting up an industry cartel.

Industry analysts fear, however, that the new accord will bring an end to free trade in commodity semiconductors.

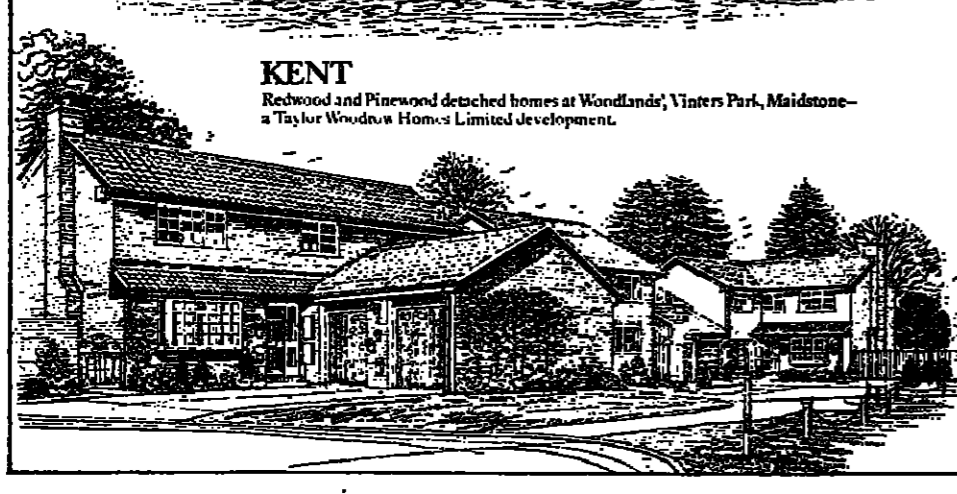
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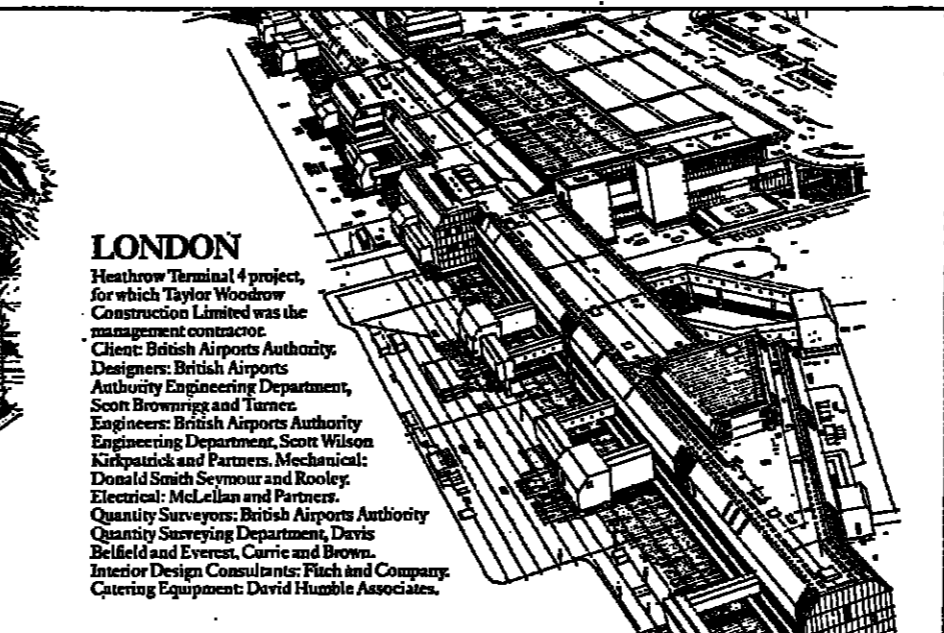
USA
Centrepointe of Tampa. A dramatic, sculpted, curvilinear design, providing offices of an extremely high standard by Taylor Woodrow Property Company (Florida) Inc. Partners: Devoe - a subsidiary of USAA. Architects: Fullerton Carey Johnston, Main Contractor: Taylor Woodrow Construction Corporation.



LONDON
Commodity Quay at St Katharine-by-the-Tower. When completed it will provide over 243,000 square feet of offices, meeting floors, residential accommodation and underground parking and will be the new headquarters for the London Commodity Exchange. Client: St Katharine-by-the-Tower Limited. Consultant Architects: Watkins Gray International (U.K.), Structural Engineer: Taywood Engineering Limited, Mechanical and Electrical Engineer: Taymex Limited, Quantity Surveyors: Rider Hunt and Partners, Main Contractor: Taylor Woodrow Construction Limited.



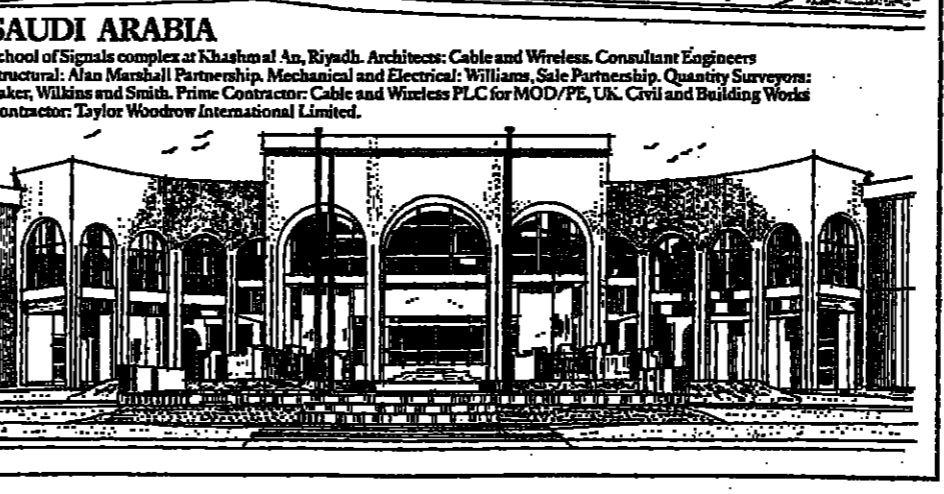
KENT
Redwood and Pinewood detached homes at Woodlands, Vinters Park, Maidstone - a Taylor Woodrow Homes Limited development.



LONDON
Heathrow Terminal 4 project, for which Taylor Woodrow Construction Limited was the management contractor. Client: British Airports Authority. Designers: British Airports Authority Engineering Department, Scott Brownrigg and Turner. Engineers: British Airports Authority Engineering Department, Scott Wilson Kilpatrick and Partners, Mechanical, Donald Smith Seymour and Rooke. Electrical: McLellan and Partners. Quantity Surveyors: British Airports Authority Quantity Surveying Department, Davis Bellfield and Everest, Corrie and Brown. Interior Design Consultant: Finch and Company. Catering Equipment: David Humble Associates.



USA
Model homes at Beacon Hill Vistas, part of the master planned community at Laguna Niguel, California by Taylor Woodrow Homes California Limited.



SAUDI ARABIA
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New battle looms for Bangkok bus tender

BY CHRIS SHERWELL IN SINGAPORE

A CONTROVERSIAL project to revamp Bangkok's ailing bus system may have to be put out to tender again following this week's decision by the Thai Cabinet to reject a \$45m (£20m) bus leasing plan from a Singapore company.

A re-tender would mean a fresh battle for the British consortium led by Leyland Bus, which has been the clear frontrunner for the valuable contract from the time it first surfaced in 1984 until late last year.

It would also mean yet more delays and still further losses by the Bangkok Mass Transit Authority (BMTA). Despite this, no decision seems likely or possible until after the general election set for July 27.

The Thai Cabinet's decision was made on Tuesday after written complaints from the local assemblers of buses made by Mercedes Benz of West Germany and Hino and Isuzu of Japan.

Having shown little or no interest in the original project, the assemblers stoutly objected to the leasing deal put before the Cabinet saying they could supply buses on that basis more cheaply.

The \$45m deal involved Motor and Leasing of Singapore, which would have leased 1,000 buses to the BMTA. The company says it had the agreement and support of the project's evaluation committee, the BMTA, and Mr Sank Suvastri, the Communications Minister.

The plan was hammered out following last year's Cabinet rejection of the Leyland consortium's \$35m proposal on the grounds that it would add heavily to the country's foreign debt burden.

At that time Leyland, together with its partners, the National Bus Company and MVA Consultants, submitted a \$94m revised proposal to make a start on the project. This retained a substantial element of UK aid, but it received no official response.

By raising the possibility of leasing, the Motor and Leasing deal with the BMTA injected a completely new element into the project and quickly provoked the other Thai assemblers into taking a fresh look at it.

If a re-tender is called, as now seems likely because of the apparent change in terms, the Leyland consortium would almost certainly be a scaled-down version of the original plan.

Philips, Du Pont in \$25m audio link with Italy

BY JOHN WYLES IN ROME

PDO, the optical media joint venture between Philips of the Netherlands and Du Pont of the US, yesterday announced that the Italian state telecommunications company to announce a new \$25m (£16.6m) joint venture to produce and develop compact audio and data discs at a plant near Rome.

Production will start in 1988 and should reach 15m CD-audio and CD-ROM (read only memory) discs by 1989. According to yesterday's announcement, initial output will be mainly audio discs and production of CD-ROMs will expand more gradually.

STET, the Italian telecommunications holding company, will own 51 per cent of the new venture, PDO 39 per cent and Philips' Italian subsidiary, 10 per cent.

Some of STET's holding may be sold to another partner with out the state company ceding control on the joint venture.

The project is one of the fruits of the PDO partnership which became operational earlier this year. It is aiming at a major share of the worldwide optical disc market which is likely to be worth more than \$4bn by 1990.

Metec, which has this growth expected from the replacement of records and cassettes—which currently represent 96 per cent of the audio market—by compact discs.

According to Mr Alfred B. Bok, PDO's chief executive, compact discs should cut the records share of the market to 20 per cent and that of cassettes to 30 per cent.

Steady growth is also expected in the sales of CD-ROM discs which have a huge storage capacity of 600 megabytes so that a single disc is capable of storing an entire Encyclopaedia Britannica.

Austin Rover launches Peugeot car in Japan

BY CARLA RAPOPORT IN TOKYO

Austin Rover Japan launched the Peugeot 205 in Tokyo yesterday, with the message that it was looking for "fashion-conscious men and women" to buy the French car.

Austin Rover said it planned to sell 700 Peugeot 205s this year, and perhaps 1,000 next year through its widening network of dealers.

Only 139 imported French cars were sold in Japan last month—according to industry statistics—and that figure was an all-time record.

Imported cars have only a few percentage points of the Japanese car market. But recently, largely because of clever marketing by the Germans, sales of imported cars have been showing good growth.

Further Austin Rover says the market for imported hatchbacks has been growing by about 18 per cent a year over the past three years. This market, with about 11,000 units a year, is almost totally dominated by the Volkswagen Golf.

Austin Rover has 32 dealers in Japan, but plans to expand the network to 80 dealers by 1988. The company has doubled its advertising budget to support the new Peugeot car.

Austin Rover has increased its own sales in Japan from 400 cars a year to 4,000 cars a year in the past three years, and expects to double sales within the next few years.

Kenneth Gooding adds: Last December, Austin Rover signed an exclusive deal to import the Peugeot 205 to Japan. It also announced it had concluded arrangements to increase substantially the number of Japanese dealers who will sell its products.

Nishimpo, a leading Japanese finance company, whose main shareholder is Azumi Motor, will select 100 main dealers from the 7,000 who use its financial packages to form a network to sell a special edition of the Mini.

Half the dealers eventually will be offered the full Austin Rover Japan range.

THE PROPERTY MARKET BY WILLIAM COCHRANE

RETAILING AND LEISURE

Megacentre for Sandwell

BRITAIN is to get its own retailing and leisure megacentre on the scale of the West Edmonton Mall in Canada...

This week Sandwell Metropolitan Borough Council gave outline planning permission to Color Properties...

This may give pause to one or two people in the retail end of the property industry...

It happens that Gordon Milne, managing director of Scottish Metropolitan Property, was speaking at the subject this week at the Property Agents International (PAI) annual conference...

ing aspect of that is that the support population is only 600,000.

He was also, clearly, of the party which has said until now that West Edmonton Mall, developed by the Ghermezian family...

He was in eminent company. Delegates to the International Council of Shopping Centres conference in The Hague this April marvelled at a presentation by Ron McCarthy...

Privately, they speculated on where the money might have come from and agreed it could never happen here.

Color Properties is the UK operation of a German family business owning 7m sq ft of industrial and business property...

Sandwell council and Color will be partners in the development which will be financed, he thinks, largely by American banking money...

Color came to the UK about five years ago, he said, and has moved into development—mainly on an industrial basis so far—over the past two years...

He had been working with Sandwell on this scheme for about 18 months he said—which helps, perhaps, to explain why Mr McCarthy of Forrec was in The Hague this spring...

Color takes the view that, for West Edmonton or Sandwell, reservations about the local catchment area are irrelevant. It sees its development as a potential national tourist attraction...

Venture capital for enterprise zones

VENTURE capital specialist Nicholas Medhurst, backed by International Investment Managers GT Management...

GT, long established in its field, is going for a stock exchange listing in seven or eight weeks time...

Nick Medhurst's venture is more modest, so far. Arrangements are in hand for a placing by James Capel of shares and convertible loan stock in Blackwell City Property Enterprises...

Mr Medhurst, however, has long proclaimed his philosophy that high risk investment brings with it inordinately high returns...

He has seen, he says, instances where 5 per cent of the total investment in the form of equity has been paid back with 50, or even 75 per cent of the development profit...

THE NETHERLANDS

Companies spring to life

DUTCH property companies and funds, sleeping giants of the real estate world, are springing to life...

With a portfolio which spans Europe and the US, Wereldhave has been looking to expand its portfolio for a couple of years and finally decided to buy at home...

But there is more to this than meets the eye. BBVG, which came under the partial control of Wereldhave in 1983...

Wereldhave itself 38 per cent owned by the PGGM pension fund, concedes that much of BBVG's holdings need extensive renovation...

Wereldhave, the F12bn (£316m) group, is virtually certain to succeed with its friendly takeover of the F1103m BBVG through a public bid

which ends on June 23. Wereldhave is paying around F150 to assume full control...

With a portfolio which spans Europe and the US, Wereldhave has been looking to expand its portfolio for a couple of years...

But there is more to this than meets the eye. BBVG, which came under the partial control of Wereldhave in 1983...

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Wereldhave, the F12bn (£316m) group, is virtually certain to succeed with its friendly takeover of the F1103m BBVG through a public bid

cent this year as trendy shopping streets attract more "recreational" buyers.

Mr Neervoort agrees that shop rents, probably will increase more than office or residential rents...

Wereldhave recently safeguarded itself from the clutches of PGGM, the pension fund for health and social workers...

Among the dour Dutch, real estate people are among the dourst but even they admit under pressure that things are beginning to brighten.

LAURA RAUN

Advertisement for 2 Purley Way Croydron, Major Office Headquarters. Includes contact info for Harold Williams and Sinclair Goldsmith.

Advertisement for Waterglade House, an exceptional office building. Features 15,400 sq ft and 26 car parking spaces.

Advertisement for Freehold St. Teresa's Hospital, The Downs, Wimbledon. An exceptional opportunity to acquire this beautifully situated private hospital.

Advertisement for The Talbot, Bank Street/Kirkgate Bradford. Prime retail investment with current income of \$44,850 per annum.

Advertisement for Freehold 2 Acre Industrial Property, 70,000 sq ft. Suitable for occupation/redevelopment.

Advertisement for Baker Lorenz, Offices Superb Quality Air-Conditioned. 2300 sq ft, new lease.

Advertisement for Freehold Development, 5 acres of attractive countryside. Planning consent granted.

Advertisement for Investments For Sale, Torbay, South Devon. 4.49 acre freehold commercial investment.

Large advertisement for Jones Lang Wootton. Headline: 'We encourage our staff to take personal calls.' Includes text about services and contact information.

Advertisement for Marlow-on-Thames Town Centre Retail/Office Investment. Income of £20,000 per annum.

Advertisement for St. Albans Superb newly completed Offices. Close to station, immediately available.

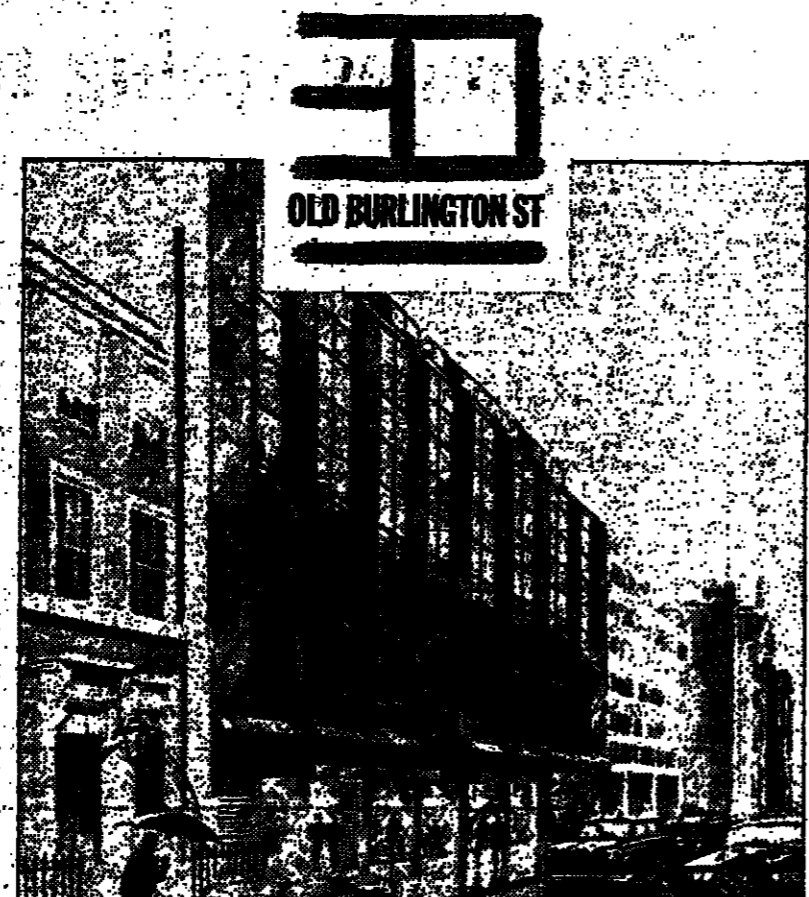
Advertisement for High Yielding Residential Property. Selection of purpose-built blocks of 6/8/12/16/24 flats.

Advertisement for 26.73% Initial Yield on Lock-up Office Investment. 22 offices producing £3,640.00 per annum.

Advertisement for Factories and Warehouses. Fleet close to M2 Junction 5, 2 new self-contained office buildings.

Vertical advertisement for Richard Edwards & Co. Includes contact number 6782550 and address information.

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Company Notices

NOTICE OF REDEMPTION

The New Brunswick Electric Power Commission US\$75,000,000 9 1/2% Bonds, Series 44-B, due March 1st, 1994

NOTICE IS HEREBY GIVEN THAT New Brunswick Electric Power Commission will redeem on August 1st 1986 the US\$75,000,000 bonds outstanding for the 9 1/2% Series 44-B Bonds due 1994 at a price of 101 1/2% of the principal amount together with interest on such principal amount accrued and unpaid to the said date of redemption.

The redemption price on the said Bonds shall be payable on presentation and surrender thereof with all unmatured coupons at any one of the following Paying Agencies:-

- Bank of Montreal 9 Queen Victoria Street London EC4N 4XN, England
Bank of Montreal Trust Company 2 Wall Street, New York, N.Y. 10005, U.S.A.
Bank of Montreal 37-39 Ullmanstrasse, Postfach 17-4075 D-6000 Frankfurt am Main 17, West Germany
Banque Generale du Luxembourg 14 rue Aldringen, Luxembourg
Credit Suisse Bank 8, Paradeplatz, 8021 Zurich, Switzerland
Société Générale 3 Montagne du Parc, B-1000 Brussels, Belgium

BONDS SHOULD BE SURRENDERED with all coupons appertaining thereto maturing after the date fixed for redemption, failing which the face value of any missing unmatured coupon will be deducted from the sum due for payment.

Any amount so deducted will be paid against surrender of the missing coupon within a period of five years from August 1st, 1986. On or after the date fixed for redemption, interest on the Bonds will cease to accrue.

THE NEW BRUNSWICK ELECTRIC POWER COMMISSION

Dated: 13th June, 1986

AFRICAN AND EUROPEAN INVESTMENT COMPANY LIMITED

NOTICE TO HOLDERS OF PREFERENCE STOCK WARRANTS TO BEARER

PAYMENT OF COUPON No. 77

With reference to the declaration of dividend advertised in the Press on 5 June 1986, the following information is published for the guidance of holders of the said warrants...

Table with 2 columns: Amount of dividend declared, Less: South African Non-Resident Shareholders' tax at 15.664%, Less: U.K. Income tax at 14.5% dividend of 3 cents.

London Office: 40 Holborn Viaduct, London EC1A 1JX

NOTE: The Company has been requested by the Commissioners of Inland Revenue to...

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

NOTICE TO HOLDERS OF ORDINARY SHARE WARRANTS TO BEARER

With reference to the notice of declaration of dividend advertised in the Press on 5 June 1986, the following information is published for the guidance of holders of share warrants to bearer...

- Credit Suisse Bank, Bank of Montreal, Banque Generale du Luxembourg, etc.

Payment in respect of coupons lodged at the office of a continental paying agent will be made in South African currency to an authorized dealer...

Table with 2 columns: Amount of dividend declared, Less: South African Non-Resident Shareholders' tax at 15.664%, Less: U.K. Income tax at 15.116% of the gross amount of the dividend of 130 cents.

London Office: 40 Holborn Viaduct, London EC1A 1JX

NOTE: The Company has been requested by the Commissioners of Inland Revenue to...

GENERALE SOCIETE GENERALE DE BELGIQUE

Registered Office: Rue Royale, 30 - 1000 Brussels

Result of the Rights Issue of 2,181,037 Shares

Of the 2,181,037 shares offered to shareholders, 1,982,882, or 91.25% were taken up during the initial application period...

The 1,982,750 preference rights on the old shares which were not utilized will be offered for sale on the Brussels and Antwerp Stock Exchanges on 17th June 1986.

These rights will be represented by scrips which enable purchasers to subscribe for the 198,675 shares not previously taken up...

- in Belgium: Générale de Banque, Banque Belgo-Zairoise, etc.
in France: Générale de Banque Belge, Société Générale
in Great Britain: Bank of Bruxelles Lambert, etc.
in Luxembourg: Banque Générale du Luxembourg, etc.

Applications may also be made to any of the above-mentioned banks through any other financial institution or intermediary.

AUCTION AT THE HOTEL PIERRE NEW YORK 17 LOTS IN: GREENWICH BROOKLYN MANHATTAN JUNE 25, 1986

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CMB continued to make headway further to the recovery it had engaged into in 1984. The Company benefited from an improvement of the operation results of its maritime activities...

The Société Générale de Belgique group reinforced its share in CMB, the latter absorbing s.a. METRANIA and rearranging some of its investments.

The profit to be allocated for the financial year 1985, including the result carried forward from the previous accounting period, amounts to BF452,538,000 against BF418,000,000 for the preceding year after depreciation, write-offs, provisions for risks and charges and the transfer to reserves exempted from taxes amounting to BF2,903,909,000 against BF2,387,068,000.

The net dividend for the financial year was fixed at BF405 per old share and BF452 per tax-privileged share as against BF375 and BF400 for the preceding period.

ICI FINANCE (NETHERLANDS) NV has purchased the shares because of a policy to be pursued for the next period...

THE ARTS

Cinema/Nigel Andrews

A life support machine is a wonder

Police directed by Maurice Pialat
A Woman or Two directed by Daniel Vigne
Stark directed by Mark Romanek
Compromising Positions directed by Frank Perry
Black Noon Rising directed by Harley Koklis

Critics saddened by the ailing condition of modern French cinema sometimes think there is only one thing keeping the patient alive at all.

Depardieu is a wonder. If this flaccid, elemental actor had been born speaking English rather than French, he would now be dubbed a modern Brando.

This week from France we have one half-good film and one wholly bad one and Depardieu is in both.

pect sweetness, now flying at them with fists or raging with gale-force obscenities.
Even when it steps outside for a breath of fresh iniquity, the movie's opening half keeps up the cynical momentum.

And Depardieu roams the streets irresistibly, a droll and disillusioned wrecker for whom all is fair in crime and punishment, and for whom death-fights between Arabs are a welcome population control device in a crime-crowded city.

No doubt, if the film had had time, it would have explained that the Arab criminals had had their train sets confiscated as children.

Depardieu swaggers like a Colossus through Pialat's movie and he swaggers similarly through Daniel Vigne's A Woman or Two.

shock off the twee exigencies of the comedy-of-errors plot.
Vigne's film is not only feebly conceived and executed. It smacks of deja vu.

The plot wanders all over the wall-chart of comic possibilities without success: from slapstick to sex comedy to screwball dialogue.

Talking of which, we have Compromising Positions and Black Noon Rising. The first is a sleekly undernourished comedy thriller revolving around Long Island housewife-superleuth Susan Sarandon and her attempts to solve the mystery of her murdered dentist.



"Many different notions about the after-life"

Static has a rare commodity in commercial cinema today: some ideas. Among the propositions being lobbed towards you for discussion are: that there are as many different notions about the after-life as there are people living in this life.

Blacks Moon Rising is worse. Across a cityscape of tomorrow Tommy Lee Jones battles multimillionaire car thief Robert Vaughn.

Don Giovanni, Aida/Opera Colorado, Denver

Timothy Pfaff

Like many another small opera company, Opera Colorado presented its fourth season in May, has chosen to limit itself to works from the central repertoire.

That arrangement is not without its musical disadvantages. There are, inevitably, some lapses in co-ordination between pit and stage, and some periodic echo effects on stage.

highly effective—physical production for the two offerings this year, Don Giovanni and Aida.

Sets were all but implied, with costumes and just a few properties richly evoking the respective periods.

The contributions of the rest of the cast were not at this level, but the exemplary work of Susan Quittmeyer and Jacob Will, as Zerlina and Masetto, warrant mention.

territory in the score, but his sure, light hand, intrinsically comic reading was welcome.

Aprile Millo had a triumph with Verdi roles recently in New York.

This accomplished young soprano gave further notice of the arrival of a Verdi singer of the first order.

Full houses augur well for Opera Colorado's survival. If the company continues to mount such fresh, imaginative productions, it may become one of America's important smaller companies.

Solti and Perahia/Barbican Hall

Dominic Gill

Most conductors have begun their musical career playing some instrument or other, if only in the back desks of the orchestral violas.

It was a splendid idea of the English Chamber Orchestra to invite Solti as both soloist and conductor to their Gala concert on Wednesday evening with Murray Perahia.

that 40 years absence from the professional keyboard does not show but Sir George's fingers are still remarkably fluent, and the poise and grip are faultless.

Their account together of the two-piano concerto was unexpectantly fine—the very unanimity of gesture was invigorating, and in the first movement the two distinct expressive manners were wholly complementary, never at odds.

Pelléas et Melisande/La Scala, Milan

William Weaver

The current production of Pelléas et Melisande at La Scala, Milan, is being considered by its audience a kind of farewell to Claudio Abbado.

For these are his last appearances as musical director of the Scala orchestra, and though he will surely return to the house as a guest after Riccardo Muti has taken over in the autumn.

As a matter of fact, Abbado in the past was not spared criticism from the Scala public, but this time they are right to hail him. His Pelléas is a great achievement, an unerring, fresh, virile reading of the score.

light in Act Three—are magically rendered, but then the whole execution is coherent, fluent.

Unfortunately some of Abbado's achievement—and Debussy's—was obscured by staging of Antoine Vitez.

True, he and his designer Yannis Kokkos have created some of the most gloomy interiors, but many of the scenes are pervasively wrong. Thus in the Act Three sequence mentioned above, the half-protuberant never descend underground; they simply gaze below from a kind of balcony.

completely at home in her part, singing the notes fully and freely. Kurt Ollmann was her Pelléas on opening night.

The lovers had the merit, too, of singing in intelligible French. As Arkel, Nicolai Ghizzoni was less idiomatic, but still full of authority (the old king's blindness seems to be dismissed by Vitez, and Ghiurov even stole a few glances at the conductor in his first scene).

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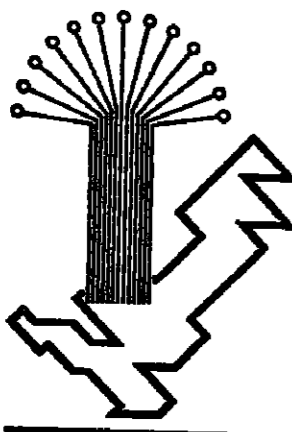
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Saleroom/Susan Moore Noted in two halves Sotheby's sale of the late Marcel Lorber's collection of netsuk, and other Japanese works made £127,178 yesterday. American dealers were out in force and paid keen prices for the perfect netsukes; the high proportion of damaged and well-worn pieces in the collection accounted for the high proportion unsold (22.5 per cent). The one exception, ironically, was the top lot, a powerful but damaged group, Ashinaga seated on Tenaga's back and reaching down with a double-length arm to pick up a fish. American dealer, S. Bergmann bought it for \$5,280 against an estimate of £1,500-£1,800. A Shibayama ivory fan of the Meiji period also exceeded expectations by selling to another American dealer for \$4,400. Seibu, the Japanese department store, paid \$5,650 for a large, early figure of Shoki, of the 18th century. It was announced before the sale that the proceeds would go to Jewish charities; the main beneficiary is the Israel Museum. At Sotheby's general Japanese sale, a delightful 18th-century wood study of an octopus, enveloped by its overlapping tentacles, doubled its estimate. It sold for £11,580. Another fine study an ivory rat with a bear, by Kajikowaki Masatsugu, made \$6,800. Eskenezai paid well over the estimates for a wood snuff and cub (£7,268) and a rare buffalo horn seal netsuke of 1780 (£7,040). Half a violin is presumably as better than none. Two halves at Phillips yesterday, certainly are. A violin by the leading French maker Jean Baptiste Vuillaume, dating to around 1855, was sold in two halves to Ealing Strings for £15,000 (estimate \$5,000-£10,000). Diamonds dazzled at Christie's jewellery sale on Wednesday. Holborn Diamonds delisted the top-price: \$95,040 for a delicate lara set in a series of lattice bands with star patens (estimated \$80,000). A similarly estimated necklace of 48 graduated diamond colletts sold for \$88,560. Diamonds with rubies in the form of an openwork necklace, realised \$59,000. The sale totalled \$773,985.

British technology

Elusive ingredients of a high growth recipe

Peter Marsh continues his series on expanding companies



"WE HAVE always had cash and run our own show. We are in a special field which we find interesting. Above all we want to win."

So says Bernard Eastwell, chairman and managing director of VG Instruments, a scientific-instrument company which he started in a garage 24 years ago and which last year had sales of £66m, four-fifths of this exports.

It is generally agreed that Britain could do with more people like Eastwell, an amiable figure who pilots his own aircraft to business meetings and relaxes by driving his red Porsche (fast) around the country lanes of Sussex.

Eastwell is an ex-Mullard physicist whose first commercial success was to design a new valve that led to a 100,000-fold drop in the very low pressures in vacuum equipment. He has stayed in charge of his company while it has split into a dozen different subsidiaries, each of them run by entrepreneurial managers continually seeking ideas for new products.

It is this type of rapidly expanding high-tech manufacturing company which many observers of British industry, from Margaret Thatcher downwards, desperately want to encourage. Such companies, so it is hoped, may be able to grow fast enough to make an international impact and in the process generate significant wealth and employment to compensate for the demise of other areas of manufacturing.

What are the essential ingredients which companies of this type require? To find out, the FT studied six concerns (see table) — all of them extremely promising medium-sized manufacturers which are based in the UK and involved in novel applications of science and technology.

Apart from Eastwell's company, they are Eurotherm, a Worthing-based manufacturer of control equipment; Research Machines, an Oxford computer company; Quantel, part of the UEI electronics and engineering group, which is in Newbury

and makes equipment for TV and design studios; Electrotech, based near Bristol, which makes semiconductor production systems; and LK Tool, a factory automation specialist in Castle Donington, near Derby.

While VG Instruments, Eurotherm and UEI are all public companies, the other three are privately owned, LK Tool being part of Cincinnati Milacron of the US, which acquired the company about 18 months ago. LK Tool, the only one of the six to be owned by a non-UK concern, was included in the study because all the salient features in its growth took place before the acquisition.

All six companies share several characteristics. They have been growing in recent years at a more than respectable rate, 30 per cent annually in the case of Quantel, VG Instruments and Eurotherm and by sevenfold since 1983 for LK Tool.

The companies are by no means new. The youngest, Quantel and Research Machines, started in 1973 while the oldest, LK Tool, is this year celebrating its 25th anniversary. Growth in each case was far from rapid initially but has built-up as the companies matured. None of the companies needed significant injections of capital in the way of equity from institutions or by share issues until relatively late.

In every case, the engineers who started the companies are still firmly in control. They have, however, recruited into key positions specialist managers for instance with marketing skills, to supply non-technical expertise not possessed by the founders.

With the exception of Research Machines, all the concerns are substantial exporters, generally preferring to sell their products overseas through subsidiaries rather than relying on distributors.

All the companies are "engineering driven" in that the development of technical ideas takes precedence to thoughts about exactly where new products are to be marketed. There is general agreement on the importance of keeping working units small, to minimise bureaucracy and to simplify the way that ideas can be translated into products.

Take Quantel, which shot to prominence in the 1970s by developing ingenious electronic systems for TV broadcasters. With the equipment, used by TV studios all over the world, engineers can enlarge, compress or merge images at the touch of a few buttons. Then followed the product for which Quantel is probably best known, a computerised "paint-box" which is used as an electronic aid in graphics design, both in TV studios and in the production of advertising material. In the past five years, the company has sold about 400 of these machines at up to £150,000 each.

Quantel has continued to develop new electronic gadgets, ranging from ever more complex special-effects equipment for TV to instruments which clean up radar images or monitor the flow of blood in people's veins.

"We are not interested," says Richard Taylor, Quantel's managing director, "in markets which already exist—we want to create new ones." At any one time, some 25 research projects are under way in the company's development laboratory (probably the only one in the world to keep a parrot as a communal pet).

The projects are started not as a result of detailed market research but on the basis, says Taylor, of whether they "feel right." Each may require a number of changes in direction before it reaches the production stage, a process which can take four years. According to Taylor, only about 5 per cent of the development schemes the company has started have failed to turn into useful products.

In the case of VG Instruments, proposals for new products from the group's subsidiaries—which over the years have split off, amoeba-like, into separate units concerned with such products as mass spectrometers, microscopes, surface-analysis equipment and semiconductor fabrication systems—are vetted by a small headquarters team in Crawley led by Eastwell. But the VG chairman says he has only to be "half convinced" that the idea is sound before he agrees to start its development.

The approach hinges, says Eastwell, on hiring from the outset entrepreneurially minded employees. There is "no magic formula," according to the chairman, behind VG's policies for recruiting scientists and engineers. "There are all kinds of indications as to whether someone is going to do well. One is enthusiasm. Another is a feeling that the person knows what business is about—be or she doesn't just talk about a technical subject but discusses the possibilities of a market."

Once a development project begins, Eastwell "seeds" it with small amounts of money. "There are some losers (among the projects) but not too many. We never spend too much initially and we never start the schemes in the first place unless we are sure of the people."

Eurotherm adopts a similar strategy to the instruments company in appointing "product champions" from within the group to mastermind new developments. In this way, it has spawned four main subsidiaries, in temperature and process control, chart recorders and variable-speed drives, together with a dozen or so smaller ones in areas ranging from printers to computer-aided design.

The company aims to continue expanding mainly to maintain career opportunities for the people within Eurotherm, according to John Shackleton, joint managing director. Shackleton says that this strategy helps his company to keep its brightest and most able employees who are in danger of being lured away to rivals.

Shackleton disagrees with the notion that UK engineers may be brilliant innovators but are useless at selling. Virtually all Eurotherm's sales people are graduate engineers who are given early experience of learning about customers' requirements, for example by going out with maintenance staff on service calls. "They soon become aware of the different facets of marketing," he says.

The Eurotherm head also sees no reason why even fairly large organisations — Eurotherm now has 2,000 employees — should fail to keep up a "small company" approach. By this he means that the company is organised as a kind of federation of small operating units, each containing no more than some 300 people.

In this way, people can build up close working relationships with colleagues, management chains are kept short and there is more chance of good technical ideas for new products bubbling to the surface rather than being submerged by bureaucracy. "We are convinced," says Shackleton, "that with only minor adaptations the ideology we had in our early days can also apply to a big company."

The progress of both LK Tool and Electrotech shows what can be done, even in fiercely competitive markets dominated by multinationals, if a small concern with a strong commitment to technological excellence keeps an eye open for opportunities missed by the major corporations.

LK Tool, originally a tool maker for customers such as Rolls-Royce, started the development of highly complex measuring machines (to fit automated machine tools and similar equipment) during the late 1960s. In the engineering recession of the 1970s, rather than cut development work, the company poured cash into improving its products. It devised its own electronic control equipment and was an early pioneer in applications of carbon-fibre, which was used to make high-strength and extremely rigid components and increase measuring accuracy.

Of all the six companies, Research Machines, started by Mike Fischer and Mike O'Regan, two Oxford graduates, has perhaps the most formal approach to the development of products. These are mainly computers used in schools and colleges, though the company is now branching out into other areas such as communications net-



Bernard Eastwell: his approach hinges on hiring entrepreneurially minded employees

works for bakeries and estate agents.

Before a development project starts, the company maps out a detailed planning schedule for the next two or three years, taking in such aspects as the envisaged markets for the product, the main stages in the development and the way the machine will be made. Fischer, the company's managing director, says he learned this approach from the Japanese.

Posting as a potential customer, he toured Japan's electronics plants roughly twice a year between 1979 and 1981, taking in the working methods of companies such as Hitachi, NEC and Mitsubishi. Fischer made these visits, and similar tours of US companies like Tandem, Rolm and Teradyne, because he was "appalled by the conventional wisdom of current UK management."

Like many of the other five companies, Research Machines makes wide use of subcontractors in manufacturing its products, and adopts the latest manufacturing technologies, such as computer-aided design and computerised work planning methods, to minimise costs and improve production standards.

The Oxford company, despite subcontracting 70 per cent of its manufacturing, retains control over this work to a degree which is unusual for such a concern. To keep up quality, it buys all the components itself before handing them to subcontractors. The company's computerised work scheduling system, which it installed in 1983, within a year virtually halved the volume of components it kept in stock, cutting manufacturing costs and increasing profits.

Like many of the people behind all six companies, Fischer is driven by an almost messianic vision of the kind of world-class operation which he wants his organisation to become and which he thinks other industrial concerns should strive towards. He says he is worried that many large UK manufacturing companies "are not trying hard enough" either to improve quality or to generate new ideas and first-rate managers.

Finding good-quality people to recruit is, for Research Machines and many of the other five concerns, a real stumbling block to further rapid expansion. At for the long-term plans of Research Machines, Fischer is aiming high: "We want to create a European version of a Hewlett-Packard or a Matsushita."

Previous articles in this series appeared on June 9 and 12.

SIX UK HIGH-TECH SUCCESSSES

Company	Commercial activity	Annual sales (£m)	Emp. (1985)	Year of formation
Eurotherm	Control equipment	81	2,000	1965
VG Instruments	Scientific instruments	66	1,400	1962
Quantel	TV/design systems	50	530	1973
LK Tool	Measuring machines	39	140	1961
Electrotech	Semiconductor instruments	25	450	1968
Research Machines	Computers	17	250	1973

* Estimate.



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BASF

Conductive polymers have a paradox property for plastics: they can be electrically charged and discharged.

2 - risk control after deregulation - defined

massive, *mas'iv*, *adj.* the scale of change the London security markets now face, e.g. new market members and structures, new products and competitors, increased volume of trading.

manage, *man'ij*, *vt.* until now trading risks in the separate financial markets have been understood. — **manage markets**, bankers, market-makers, jobbers and brokers each manage the different markets and risks within their discrete areas of operation.

menace, *men'as*, *n.* as organisations diversify and enter new financial markets where they have little experience, they are faced with new, ill-defined areas of risk.

motion, *mō'shon*, *n.* as many financial institutions move from commission-based to more competitive margin-based sources of corporate income. — **angular motion**, the degree of risk increases for inexperienced market members.

misunderstood, *mis-und-er-stood*, *vt.* the new and greater risks are not fully understood. Many traditional risk-control systems are hopelessly inadequate.

minimize, *min'imiz*, *vt.* if heavy losses and failures are to be kept to a minimum, management must identify these areas of risk and ensure that adequate reporting and control mechanisms are in place. — **minimal art**, the UK can learn from American markets liberalised during the '70s. Their experience clearly illustrates that only well-controlled firms survive.

meteoric, *mē-tē-or'ik*, *adj.* first-rate systems need to be instituted quickly — right from the start — because changes in London will be revolutionary, rather than evolutionary as in New York.

marauders, *mā-rōd'ers*, *n.* new international competition with strong experience and substantial capital is attacking the London markets.

major, *mā'jor*, *adj.* even bigger changes in global finance markets are taking shape at the same time, e.g. market convergence, internationalisation, erosion of client loyalties and traditional relationships.

minefield, *min'fēld*, *n.* identifying and controlling risk/return in the new, highly competitive, global markets will require far-sighted and innovative approaches.

mandatory, *man'da-tō-ri*, *n.* decision-support information will be an absolute requisite for commercial success.

meribund, *mor'i-bund*, *adj.* lack of prompt and focused decision-support information will condemn an organisation to quick and certain death from uncontrolled risks and unrecognised profit opportunities.

monitor, *mon'it'or*, *vt.* to track, check and manage; information requirements need to be defined — in order 1. to manage business resources (esp. capital) from a basis of knowledge, not ignorance. 2. to gear-up an expensive and limited dealing resource, and control dealing operations. 3. to develop a foundation of flexible and efficient administrative systems and databases.

map, *map*, *n.* this new approach requires a clear strategy to enable users' needs to be met on time; it must adapt to further changing business activities without requiring major systems rewrites.

marksmen, *māks'men*, *n.* Coopers & Lybrand's specialist financial services group has developed well-tested methodologies to meet the needs of the new environment — to ensure decision makers get the support they need at the right time to make them effective.

magnet, *mag'nit*, *n.* many of its consultants are drawn directly from line management.

mission, *mi'sh'ən*, *n.* to implement recommendations practically; to roll up their sleeves; to work closely with client staff.

magnitude, *mag'm-tūd*, *adj.* greatness or importance. — **of the first magnitude**, Coopers & Lybrand, the leading firm of accountants and management consultants in the UK, has the widest range of services — and the broadest shoulders to help take the weight off yours. Contact Murray MacFarlane, Peter Smith or David Paige on 01-583 5000.

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FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 4BY

Friday June 13 1986

South Africa in crisis

AS THE South African crisis deepens, Mr P. W. Botha is slamming the door on the diminishing opportunities to resolve a conflict which threatens to engulf southern Africa.

describes as a "racial conflagration" and major armed conflict spilling beyond South Africa's borders. Such an effort, they said, should be based on fresh economic measures against South Africa.

Before new measures are imposed their impact and practicality must be carefully assessed. Such a study, perhaps co-ordinated by the Commonwealth Secretariat, should go ahead as a matter of urgency.

The report presented yesterday by the Commonwealth Eminent Persons' Group on the outcome of its mission to South Africa is a damning verdict on Mr Botha's efforts to create an equitable society.

The arguments used in support of further measures are nevertheless compelling. As the report points out, it is not sanctions which will destroy the country but the persistence of apartheid and the Government's failure to engage in fundamental political reform.

Sitting tight in Ulster

THE BRITISH Government's decision to dissolve the Northern Ireland Assembly, formally announced in the House of Commons yesterday, can have surprised no-one.

Following the Anglo-Irish agreement last week, the Northern Ireland Assembly had been set up for four years ago. It was a surprise when it was dissolved.

It is, however, dissolution not abolition. The statutory power to reconvene the assembly with fresh elections remains.

Marching season in Ulster when British initiatives King and Mrs Thatcher are likely to be in the driving seat.

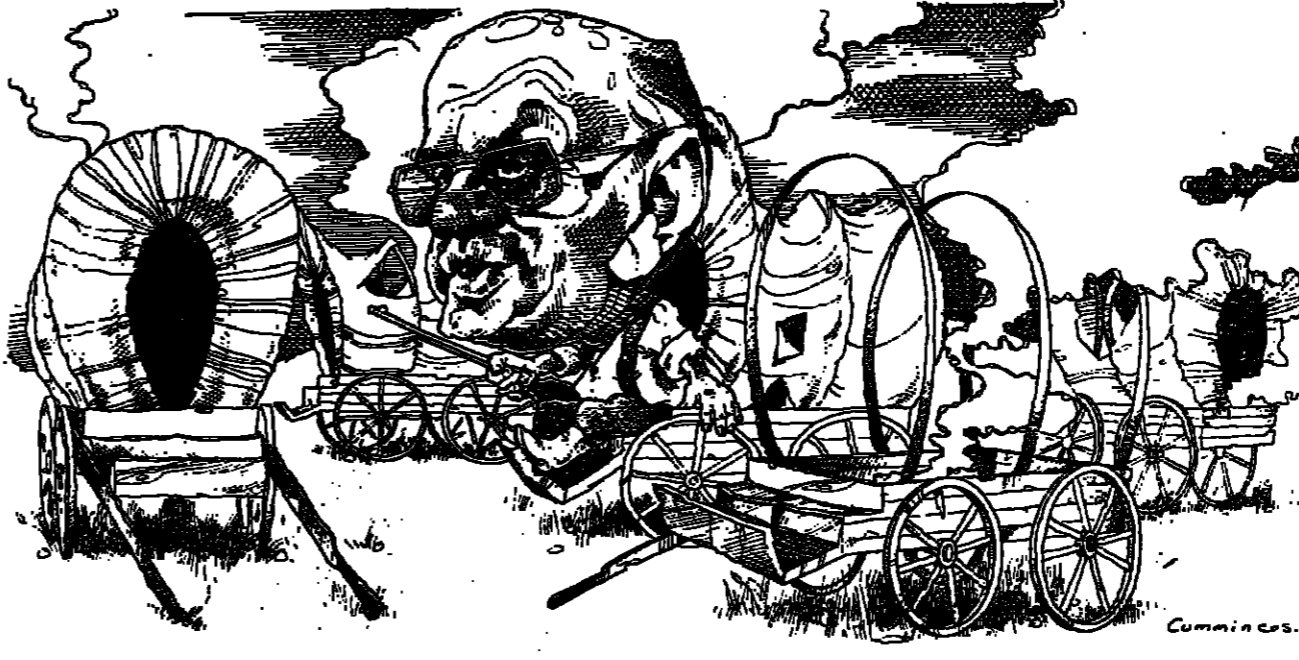
Long haul At the same time, the only outside channel of pressure on Britain's Ulster policy-making has become the Irish Republic.

Among the more encouraging signs, the Churches in Northern Ireland are urging a resumption of talks and Mr John Hume, the SDLP leader, was notably conciliatory when he repeated his offer of direct discussions with the Unionist leaders after acknowledging that the assembly had to go.

South Africa Mr Botha turns up the heat

By Anthony Robinson in Johannesburg

"LAWRENCE there? No he was taken by the system at two o'clock this morning." My telephone call early yesterday morning to Lawrence Ntloko, chairman of the Kasigo Residents Organisation, was the first inkling of a massive police swoop on black community leaders, trade unionists, churchmen and leaders of anti-apartheid organisations like the United Democratic Front and the black consciousness Azapo movement.



But if President Botha thought that torpedoing the EPG and attacking neighbouring countries would appease right-wing Afrikaners and rally white support he was disabused three days later when Mr Eugene Terre-Blanche, leader of the right-wing, para-military Afrikaner Weerstandsbeweging (AWB) prevented Mr P. W. Botha, the Foreign Minister, from addressing a meeting in Pietersburg, Northern Transvaal.

Meanwhile, the daily toll of death, fire-bombing and violence has continued unabated. Less than 15 kms from parliament itself three weeks of factional fighting in the Crossroads squatter camp has killed nearly 50 people and left 80,000 homeless amid accumulating evidence of direct police support for one of the factions involved.

Rightly or wrongly the

government, and above all the security forces, appear to have been convinced that June 16 has been set as a date for a co-ordinated, nationwide attack by black radicals on the whole system of white domination.

But the government's attempt to pass draconian amendments to the existing internal security and public safety acts has been blocked by the coloured and Indian houses of the tri-cameral parliament. These amendments would have permitted Mr Le Grange to declare any part of the country an unrest area, detain people without trial for up to 180 days without recourse to the courts, provide a blanket indemnity for the police and give him wide powers to control the media.

Imposition of a state of emergency over the whole country gives the security forces the virtually unlimited powers they have been seeking before June 16. It is likely to be removed once the government's amendments have been put into

force by presidential decree. To this extent the government has been forced against its will to introduce a full state of emergency, in the knowledge of what happened to South Africa's external image and foreign investors' confidence the last time the emergency was declared on July 21 1985.

There is not likely to be a repeat performance, mainly because the restrictions introduced in the September debt moratorium package, and subsequent tightening up of exchange control regulations, mean that investors will only add to the pressure to prevent a capital outflow. Dr Gerhard De Kock, in Switzerland for a meeting of the Bank of International Settlements this week indicated that the authorities had no intention of introducing any further exchange controls. This position has certainly been taken at face value by exchange dealers in London who pointed out that the Reserve Bank simply does not have the reserves to mount an artificial defence of the currency and is prepared to let the rate take the strain.

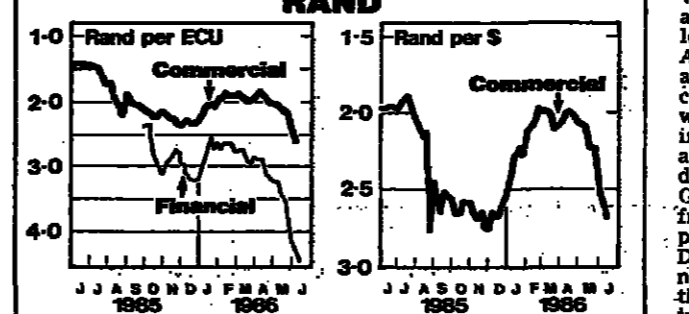
"The depressed rand is the best

rallies were held throughout the country. The police kept a low profile, there were no deaths and precious few arrests. Next day the country returned to work as normal.

The Government, as so often in the past, appears to have ignored the pleas of the business community. Instead it has succumbed to the temptation to use June 16 as an opportunity to decapitate the widest range of black organisations and give the police virtually limitless powers. The Press will also free additional restrictions in its coverage of developments in black areas. The danger, as Mrs Helen Suzman, the opposition Progressive Federal Party (PFP) spokesman on law and order pointed out, is that by arresting black leaders the Government could face a more chaotic situation in black areas leading to even greater bloodshed.

In its defence the Government argues that order is essential if it is to carry on with its Apartheid reform policies which include the scrapping of influx control and the pass laws, property and business rights for blacks and other measures designed to make Apartheid less offensive. It also says it wants to share political power with blacks and is prepared to negotiate with the ANC, provided it renounces violence first.

In 1976 the Soweto rising spread around the country before resistance eventually subsided 18 months and 700 deaths later. But in the intervening ten years the ratio between whites and blacks and the government's stance has changed significantly. The fact that the current unrest has lasted for 21 months with no sign of diminishing is not merely a result of what the authorities and their allies "restraint". It also reflects the emergence of powerful black trade unions, a nationwide network of black community associations, often linked to the United Democratic Front (UDF), and a strong moral and material support from the churches, many whites—and the international community.



Asia's lending hand

Masso Fujitaka's reserve and innate conservatism—qualities usually appreciated among bankers—led to his recent trouble recently. Which is why the Japanese president of the Asian Development Bank appeared on the defensive when addressing a gathering of his peers in London yesterday.

Fujitaka, recently elected for a second term, has been under attack from two quarters. The US, the bank's second biggest shareholder, has been unhappy with his reluctance to adopt more market-oriented policies, especially lending to the private sector. Third World countries, such as India, meanwhile, blame his prudent financial management for a significant slowdown in the bank's lending activities.

The urbane Fujitaka seems to be taking it all in his stride. He insisted yesterday that the ADB's primary responsibility was to ensure that the bank adhered to sound financial policies.

Men and Matters

fundamental with the US were fundamental. Joe O. Rogers, the Reagan Administration's man at the ADB's Manila headquarters, and the bank's newest director, has been unashamedly pushing for development of the private sector.

Jean Sollier, the veteran French aerospace engineer, who has taken over as chairman of the Societe Europeenne de Propulsion rocket engine company, promises to bring a hard-headed approach to firing objects into space—big business nowadays.

Legards, nominated by the previous socialist government, brought a dash of colour into the company which makes airplanes for the European Ariane rocket. But according to Smeema, the state-owned aero engine group, which owns 50 per cent of SEP, he failed to apply sufficient zeal to convert SEP into a fully-fledged industrial group.

Rover's return

Graham Day has decided he would prefer to be chairman and chief executive of the Rover Group than of the anonymous-sounding BL.

Apart from restoring to prominence the most historic name in British motoring, it is just one more indication that he intends to practice a highly personal management style now that he has begun to settle in with the state-owned motors group after six weeks.

Edwards, executive chairman at that time, decided that the holding company should become as invisible as possible, leaving all publicity to the operating subsidiaries such as Leyland Trucks, Austin Rover and Land Rover.

In due course

As any benefit claimant will testify, telephoning offices of the Department of Health and Social Security can require considerable reserves of patience and good humour.

Pity, though, the plight of private hospital manager David Hall, who rang the London number given by the DHSS for obtaining forms for notifying the Secretary of State of "notifiable works and changes" as required by the Health Services Act 1978.

On being connected, he was told: "Sorry, but the person you deals with that is on a course—for a year."

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FINANCIAL TIMES

Friday June 13 1986

BELL'S SCOTCH WHISKY BELL'S

COMMERCIAL BANK CREDITORS AGREE TO TWO-YEAR LOAN PACKAGE

Poland given \$2bn in debt relief

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

Poland has reached agreement with its main commercial bank creditors on measures that will give it some \$2bn in debt relief over the next two years.

Details of the agreement are now to be put to some 600 creditor banks of Poland worldwide in the hope that the deal can be signed in August.

Poland, with total debts of some \$30bn, faces a chronic shortage of foreign exchange, which has been exacerbated by the restrictions on food imports imposed by Western Europe in the aftermath of the Chernobyl nuclear reactor disaster.

Sweden may alter capital gains taxation

By Kevin Done in Stockholm

SWEDEN is expected to introduce a new capital gains taxation system for transactions in shares, bonds and options from the beginning of next year.

The state-appointed committee on capital gains taxation yesterday recommended changes to simplify the present system and make tax avoidance more difficult.

The committee has proposed abandoning rule that shares must be held for at least two years to benefit from favourable tax treatment.

Under the present system, 100 per cent of the capital gain made on shares held for less than two years is taxed as part of income.

The committee, headed by Professor Bo Sodersten, a Social Democratic member of Parliament, proposes that 50 per cent of all capital gains on shares should be liable to taxation, regardless of how long they have been held.

Mr Kjell-Olof Feldt, Finance Minister, said yesterday that the purpose of the proposed changes was "to make the taxation rules more transparent, which would in itself stimulate business and improve the functioning of the stock market."

The proposals have been favourably received by the stock market. "This would create a far more liquid market and would not lock in share purchases," said one broker in Stockholm.

Mr Feldt yesterday dismissed such fears. "We were sure that the stock market could take it, which it did," he told an international investors conference.

Despite plans for a partial liberalisation of Sweden's foreign-exchange controls, Mr Feldt ruled out any relaxation of controls on placements in bonds or short-term securities.

"I do not want to throw this country into the hands of international speculators," he said. "I have seen too much of irresponsible, irrational capital movements affecting exchange rates."

Mr Sodersten said the earliest the Government could present a bill to Parliament on the capital gains changes would be November, with the new law taking effect from January 1.

Mr Shah insisted that Lomro had no further options on any News (UK) shares.

Mr Robert Maxwell had detailed the deal with Mr Shah and wanted to take over all the debts and assets of the company News (UK) and wanted Mr Shah to stay on and run the newspaper.

Mr Shah's offer, it is believed, was worth a total of £20m. The Lomro offer was easily the winner because most of the board members saw it as a long-term commitment to making Today succeed.

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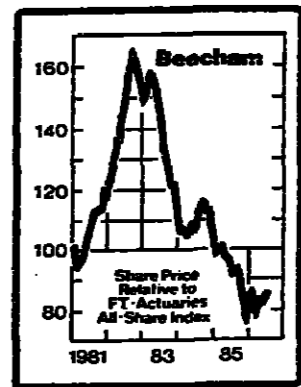
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THE LEX COLUMN

Take slowly with salt



First the strategy, at Beecham, then the chairman. And only then, a finance director.

The figures for Beecham's traumatic year were, in all conscience reassuring, and not unexpected by readers of the Sunday papers over recent weeks.

The list of disposals from the Beecham portfolio is well-chosen to reinforce the impression that Beecham will in future have its eye glued to the ball: home improvements, a recently acquired cosmetics business in the US, and the Finlinter spirits agency are all to go.

Although the funds raised are not significant by comparison with Beecham's market capitalisation, it does no harm to demonstrate firmness: if Beecham is truly serious about concentrating its energies, a few other things might yet be put on the market.

What has been achieved, beyond much doubt, is the removal of the sale notice from the group itself, and with it some of the bid premium.

If Beecham's earnings now grow at its target rate of 15 per cent, it is likely to be one of the slower growing members of its sector; but at 385p the prospective multiple of about 15 offers no discount.

The collapse in the tanker business after the 1978 oil price explosion caused the break-up of Burmah Oil's first attempt at building a North Sea oil company.

That same rapidly depleting cash flow will be very useful for Premier Consolidated Oilfields as it prepares to meet its share of the costs of developing the Wytch Farm oil field.

The buyers of British Gas's oilfield, the Wytch Farm oilfield, has already seen one refinancing attempt dissolve, but then its problems are not limited to Dorset.

Wytch Farm interest have been innovative in their methods of meeting the problem. Goal succeeded in an emergency rights issue just before that window closed.

Goldman Sachs is increasingly anxious to get hold of the right title to accommodate its post Big Bang team.

There is no question that the offer from F.H. Tomkins represents a significant bid premium: equally, there is no concealing the fact that acceptance would imply very considerable dilution for Pegler shareholders.

Only if you believe that Tomkins can offer substantially better management of the company does it make sense to accept.

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UK sets terms for action against Pretoria

BY PETER RIDDELL, POLITICAL EDITOR, IN LONDON

THE BRITISH Government is prepared to consider further measures against South Africa, but only if there is an international agreement involving the leading industrialised nations and the EC, as well as the rest of the Commonwealth.

During a 30-minute discussion of South Africa at a Cabinet meeting yesterday, Sir Geoffrey Howe, the Foreign Secretary, emphasised the need not to rush into immediate decisions but to hold international discussions to see whether there was broad support for further action.

Senior ministers believe that in the light of the pessimistic analysis of the Commonwealth negotiators - the Eminent Persons Group - some further measures are probably inevitable later.

Mr David Steel, the Liberal leader, said that the Labour Party leader, said the Eminent Persons' report had made clear that "extensive and intensive economic pressure by Britain and other nations which have a significant trading and commercial relationship with South Africa, is essential."

Rolls-Royce rejects French space link

BY DAVID MARSH IN PARIS AND PETER MARSH IN LONDON

HOPES of an early sign of collaboration between France and Britain over a new generation of space launchers have receded after the rejection by Rolls-Royce, the UK engine company, of a French suggestion of co-operation over the motors needed for the vehicles.

The British Government and aerospace industry have annoyed the French in recent months by stepping up efforts to win European support for Hotol. That might impede France's own attempts to win full European backing for its own project, Hermes, a manned vehicle capable of being lifted into space by a conventional rocket.

Airbus offered US collaboration deal

BY DAVID MARSH IN PARIS

MCDONNELL DOUGLAS, the US aircraft builder, has offered collaboration with Airbus Industrie, the European airliner-manufacturing consortium.

Both manufacturers have a common interest in standing up to competition from Boeing, the leading international airliner builder, which has shown signs over the past year of increasing its dominance, despite its perennial claims of unfair commercial pressure from Airbus.

World Weather

Table with columns for location, temperature, and weather conditions for various cities like Agaña, Algiers, Amsterdam, etc.

IRI accuses Fiat

Continued from Page 1

1986, contains a clause that reads: "If the salvation of Alfa Romeo can be achieved by ceding majority control of the company, Fiat would like to be informed before any agreement is made."

Shah's daily rescued by Lomro

Continued from Page 1

Mr Shah insisted that Lomro had no further options on any News (UK) shares.

FAIRFIELD ENERGY VENTURE L.P. US\$19,000,000 Buyer Credit Facility relating to a contract awarded to Intec (Empresa Nacional de Ingenieria y Tecnologia, S.A.) Ensa (Equipos Nucleares) Samuel Montagu & Co. Limited Midland Bank plc Banco de Bilbao, S.A. Banco Exterior de Espana Insured by Cesca (Compania Espanola de Seguros de Credito a la Exportacion, S.A.) Agent Bank Samuel Montagu & Co. Limited Midland Bank plc Spanish Agent Paying Bank

Handwritten signature or stamp in Arabic script.

FINANCIAL TIMES SURVEY

BELGIUM

Belgium may have found a semblance of political stability but the key problem of gearing up the economy to consistent competitiveness remains. The Government believes it is making a major contribution by reducing expenditure

Tough line on constraint

By Paul Cheeseright

GOVERNMENT RETURNED to Belgium three weeks ago after an absence of about a year. Mr Wilfried Martens, the Prime Minister, was on his feet in Parliament pledging "a daily fight for the exact and honest execution of the budget."

government in recent years to bring its own finances under control. It had settled the shape of the political debate for the next few months. At parliamentary level, the results have been predictable. Last October, the two Christian Democrat parties and the two Liberal parties—one party of each for the Dutch speakers, one of each for the French speakers—were returned to power in a general election. They won 115 seats in the 212-seat Chamber of Deputies, with the Socialists as the main opposition with 87 seats.

to maintain the social demarcation constructed in the days when expansion was the norm and there seemed to be money for everything. At another level, those in the public corporations and state services saw their conditions of employment under threat. Here was a government with the temerity to chip away bits of social security, to make it clear that, for example, the railways must balance their books. Yet this is where the divisions start as well. Attempts to spread strikes into the private sector had only isolated success. Partly this reflected the jaundiced view many in the private sector take of the public sector—feather-bedded, inefficient, arrogant. There is the usual litany of complaint about officialdom from a people who spend a good deal of energy trying to circumvent authority.



The Government of Wilfried Martens faced immediate union demonstrations when it brought in spending cuts

It was unlikely because the unions reflect the fissures of Belgian society—French and Dutch, Catholic and secular, left and right. The main union groupings have direct links to the political parties. The Socialist unions are stronger in the French-speaking south of Wallonia. The Christian unions are stronger in the Dutch-speaking north of Flanders. The Socialists seek to oppose the Government at every turn and the Christian unions are almost part of the Government.

round to Martens. There are further snags though and this gives the political debate yet another level. Economic restraint and the withdrawal of some government spending, hits pockets first and sensibilities second. In the first round of the argument, the question was all about pockets. But sensibilities are being touched by cuts in the education system, and this is the second round, likely to run into the autumn. At issue are not just reductions in the building programme but systems of teaching and the freedom, with official funding, to practice them.

This opens up the Catholic-secular fissure, and because the Catholic schools in Wallonia feel more under threat than the Catholic schools in Flanders, it emphasises the communal divide. Teachers are up in arms, parents are agitating. What the Government sees as budgetary realities (Belgium, it suggests, spends more per capita on education than its European partners) hit the delicate mechanism of social relations with a thud. It is at this point that the budget package throws up the most significant quirk of Belgian politics.

Governments might be voted out on economic policy, as anywhere else; Belgians indeed are more careful of their pockets than most; but they collapse from within on communal issues often of arcane obscurity to the outsider. One of the key reasons for the stability of the fifth Martens government was the pact between the coalition parties to treat economic questions as the priority. Issues related to how the Dutch-speaking and French-speaking parts of the country rubbed along in a semi-federal state would be put on the back-burner. To find its way through the next two or three years, the sixth Martens government is going to be forced to adopt the same approach. That, in its turn, means an effort to play down the emotional aspects of what will be a lengthy education debate and to play up the financial aspects.

As it is, there is murmuring in the opposition that the spending cuts fall more heavily on Wallonia than on Flanders. Further, the communal tinderbox might have a light thrown into it when the Council of State, the constitutional watchdog, adjudicates on the linguistic capacity of mayors in communes along the language border which formally splits the country. Such banana skins are before the feet of any Belgian government. The present coalition would indeed like to see more power devolved to the regions, precisely to ease the danger of communal friction. But it has no mandate for constitutional reform during the current parliament. Its *raison d'être* rather — what voters wanted last October — is to get the economy right. What it thus wants most over the next few months is a continued revival in the European economy. That would help offset the effects of its own budget cuts, most importantly in the provision of jobs. It would also neutralise to some extent the relative rise in Belgian costs against those of the Netherlands and Germany. There will be another surplus this year on the current account of the balance of payments, helping to maintain the confidence that has brought an inflow of capital. Such confidence could evaporate at any time if the Government slips on the communal banana skin. But as June 1985 to May 1986 showed, the country can trundle on without a government.

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- Private Sector: Deep worries under good omens
- Profiles: Stella Artois Telindus Van Hool Page 5
- Food: Richness of fare Business Guide Useful Facts and Figures Page 6

Do you know the one about the Saudi, the Swede and the Belgian?

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Belgium 5

Private Sector

Deep worries beneath favourable omens

BELGIAN COMPANIES have been earning more from exports so the balance-of-trade is in better shape, while the increase in funds on the Bourse helps a restructuring of corporate finance between 1982 and 1984. Profits are higher—returns on industrial and financial sector investment have been running higher than the returns on government bonds.

over the top, but the suggestion that Belgium is an intermediate industrial economy is a fair one. It does not live alone on chocolates and carpets, but as Mr Vandepitte pointed out, last year it was chemicals, transport equipment and machinery which were the best sellers. The worry rather is that Belgian companies or sectors are not putting enough cash and effort into new product lines.

cash spent on research and development. Finance and patient was BFRs 12bn of which three-quarters went into the electrical and electronic industries. Total volume of investment rose by some 6 per cent in both 1984 and 1985 and will rise again this year, but independent analysts note that most of the investment is going into doing the existing things better.

Japan seal of approval

THE DEAL that currently pleases John Cordier most is his breakthrough in Japan. He was looking for a real seal of approval for the new range of modems (for linking computers and terminals through telephone systems) produced by his newly-independent company Telindus.

Market saturated with beer

BEER-DRINKING is more than just part of the Belgian way of life. It is one of the unifying forces in a divided nation, crossing the cultural divide with a bewildering variety of dark beers, light beers, sweet beers and sour beers, brewed since time almost immemorial.

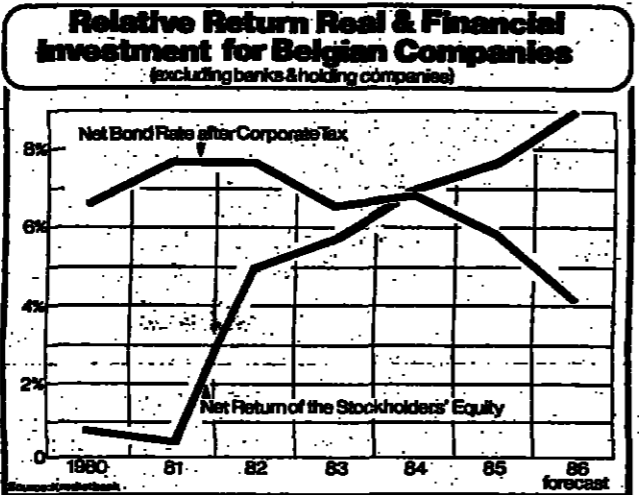
beer drinking is still on the increase. Next comes Africa, where Artois already has operations in Zaïre, the Ivory Coast and Nigeria. After that come North America and Asia. Exporting beer as such from Belgium is not the Artois ambition, the trend is rather to build up direct investment in foreign breweries, either as partner or sole owner, and to sell the company's management skills, technology and brewing know-how.



per cent of the Spa mineral water and soft drink group, although it is not involved in company management. On the external front Artois is relying on its new alliance with Piedboeur, set up with a capital of BFR 1.5bn, to find new markets.

Quentin Peel

GENERAL SOCIETE GENERALE DE BELGIQUE GENERALE MAATSCHAPPIJ VAN BELGIË REPORT 1985. The Annual General Meeting held on 6th May 1986 approved the Accounts for the 1985 financial year and the payment of a net dividend of BEF 103 on ordinary shares (against BEF 96 for 1984) and BEF 131 net for AFV shares (compared with BEF 107.50 for 1984).



At one end of the market—low-speed modems—the Belgian state telecommunications corporation has an exclusive contract with Siemens, the West German multinational. At the high-speed end the market was dominated by IBM, the US computer giant.

TELINDUS

state telecommunications corporation has an exclusive contract with Siemens, the West German multinational. At the high-speed end the market was dominated by IBM, the US computer giant. "I didn't start in an ideal environment," says Mr Cordier. "But we thought we could be successful because of one shortcoming in the market: the end user was not ready for the application and he didn't know much about it."

A vocation for exports

AT THE end of the Second World War the little Flanders village of Koninghoeke, set in the heart of market garden country, produced a range of products to underpin sustained growth. The National Bank of Belgium thinks not. Its analyses suggest that Belgium is too strong in products for which world demand is relatively weak and not strong enough in products for which demand is relatively strong.

cles to the range, with a whole variety of custom-built trailers, including gas and liquid-carrying tanks. The range of its operations means the company has to perform a difficult balancing act in the market between competing and co-operating with the major bus chassis manufacturers for whom they also act as sub-contractors.

markets are in France — between 250 and 300 vehicles a year — Sweden (up to 200) and the Netherlands (between 80 and 100). The US market is important but erratic. Van Hool is the largest importer of "bodied" vehicles with some 70 per cent, and sold 200 in the present chassis line for a year. Currently, however, the market is in "terrible shape" according to Mr Schools, with only half the number of vehicles being replaced which one might expect.



A company like Van Hool cannot hope to compete with giants like Mercedes on mass production — producing buses and motor cars. What it can do is compete in terms of custom-built design, and speed of delivery.

Quentin Peel

We're wired into the economy. BEKAERT. Bekaert is the world's largest independent producer of steel wire and steel-wire products. With market outlets in more than 150 countries and 18,000 employees in 14 countries, the 40 Bekaert plants produce 1 million tons annually. This means 600 million km of wire or 15,000 times the circumference of the earth.



CABINET OF THE STATE SECRETARY FOR THE BRUSSELS REGION. Brussels. Capital city of Belgium. European crossroads, home of numerous international Institutions and Organizations. European communications centre for road, railway, air and waterway networks (sea-Rhine-Scheldt-Meuse-Seine).



Jean-Louis THYS





Design & Build Wallis Building since 1869

British Steel control quality with Husky

Beecham plans to sell non-core businesses

BY MARTIN DICKSON IN LONDON BEECHAM, the pharmaceuticals and consumer products company...

bond and Coppex and is based mainly in the UK, US, France and West Germany...



President resigns in TWA struggle

BY WILLIAM HALL IN NEW YORK Mr Richard Pearson, 51, has resigned as president of Trans World Airlines (TWA)...

Hewlett Packard seeks job reductions

BY WILLIAM HALL IN NEW YORK HEWLETT-Packard, the US electronics group, is to offer an enhanced early retirement programme...

French financial giant forced to concentrate

BY DAVID MARSH IN PARIS CAISSE des Depots et Consignations (CDC), the mammoth French financial institution...

OIL SLUMP AND WEAKENING PROPERTY MARKET BRING WAVE OF DEFAULTS Dallas developers bite the dust

BY MARY FRINGS IN DALLAS THE GROWING pressure on property developers in Dallas - hit by a softening real estate market...

placed five partnerships under bankruptcy court protection as well as allowing several properties to fall into foreclosure.

Market opens in UK property shares

BY WILLIAM COCHRANE IN LONDON A BREAKTHROUGH in the UK investment markets came yesterday when investors were offered shares in a landmark City of London office building.

The banking team has devised a single asset public property company, or Sappco, named Billingsgate City Securities...

Sunshine offers to swap silver bonds

BY OUR DALLAS CORRESPONDENT SUNSHINE Mining Company, the beleaguered US silver, oil and gas producer...

Previous sinking fund requirements, which called for the annual redemption of a percentage of each of the original issues...

Nixdorf maintains 20% growth

BY OUR FINANCIAL STAFF NIXDORF, the West German computer group, told shareholders yesterday that group turnover so far in 1986 had been growing at the 20 per cent rate...

Kuehne & Nagel lifts profits 16 per cent

BY JOHN WICKS IN ZURICH KUEHNE & Nagel, the international forwarding agents, booked a 16.7 per cent rise in net profits last year...

Executives to 'reconstitute' Genstar

BY ROBERT GIBBENS IN MONTREAL THE TWO top executives of Genstar Corporation, now 98 per cent owned by Imasco...

Bausch & Lomb eyes European market

BY ANDREW BAXTER IN LONDON BAUSCH & Lomb, the world's largest producer of contact lenses, has embarked on a plan to raise its profile in Europe...

the company's largest single business, making its health care products sector the biggest money-earner...

gent than in the US. Contact lens markets are substantially less developed...

KINGDOM OF DENMARK ECU 250,000,000 7 7/8% 1986-1996 Bonds

Financial Times Friday, June 13 1986
FINANCE
 to Vontobel
 to raise
 SFr 150
 By John Wicks in Zurich

This announcement appears as a matter of record only.

1,150,000 Shares

Chesebrough-Pond's Inc.

Common Stock

Shearson Lehman Brothers International


Commerzbank Aktiengesellschaft
 Société Générale
 Union Bank of Switzerland (Securities) Limited

Credit Suisse First Boston Limited
 Swiss Bank Corporation International Limited
 S. G. Warburg & Co. Ltd.

Dresdner Bank Aktiengesellschaft
 Yamaichi International (Europe) Limited

February, 1986

This announcement appears as a matter of record only.



SKÅNE - GRIPEN AB

The Gripen Group

250,000 "B" Free Shares

The undersigned arranged the placement of these Shares.

Shearson Lehman Brothers International

May, 1986

This announcement appears as a matter of record only.



RECORDATI

Industria Chimica e Farmaceutica S.p.A.


3,240,000 Non-Convertible Savings Shares

The undersigned arranged the placement of these Shares.

Shearson Lehman Brothers International

May, 1986

This announcement appears as a matter of record only.



1,600,000 Units

Fireman's Fund Corporation

1,600,000 Shares of Common Stock of Fireman's Fund Corporation
 and
 1,600,000 Warrants to Purchase
 800,000 Shares of Common Stock of Fireman's Fund Corporation

Shearson Lehman Brothers International Salomon Brothers International Limited

Banque Nationale de Paris Commerzbank Aktiengesellschaft Crédit Lyonnais
 Credit Suisse First Boston Limited Deutsche Bank Capital Markets Limited
 Dresdner Bank Aktiengesellschaft EBC Amro Bank Limited Lloyds Merchant Bank Limited
 Morgan Guaranty Ltd. The Nikko Securities Co., (Europe) Ltd.
 J. Henry Schroder Wagg & Co. Limited Société Générale
 Swiss Bank Corporation International Limited

May, 1986

This announcement appears as a matter of record only.

2,875,000 Shares

The Prospect Group, Inc.

Common Stock

Shearson Lehman Brothers International

Banque Nationale de Paris Credit Suisse First Boston Limited
 EBC Amro Bank Limited Euromobiliare Générale de Banque
 Kansallis Banking Group Svenska Handelsbanken Group
 Swiss Bank Corporation International Limited

May, 1986

This announcement appears as a matter of record only.

Pargesa
 HOLDING S.A.

13,830 Shares

The undersigned arranged a secondary block trade of these Shares.

Shearson Lehman Brothers International

May, 1986

**Leadership
 In Global Equity Markets**

INTL. COMPANIES & FINANCE

New bank proposes NSW building society takeover

BY LACHLAN DRUMMOND IN SYDNEY

NATIONAL MUTUAL Royal Bank (NMR), a newly formed Australian banking venture, has moved to increase its retail market presence and its geographic spread with plans to take over United Permanent, the country's third largest building society, at a cost of at least A\$120m (US\$82.2m).

Bank, which last year transformed itself from the New South Wales Building Society to bank status and this year completed the first takeover by a bank of a building society with its acquisition of Canberra's Civic society.

India Fund increased by 50% to £60m

By Chris Sherwell in Singapore

INDIA FUND, the country's first fund to manage international capital to be invested in Indian equity markets, will amount to £60m (\$91.6m) about 50 per cent higher than previously planned.

The fund will be managed by Unit Trust of India, an Indian investment trust, and marketed abroad by Merrill Lynch Capital Markets, the largest securities house in the US.

Mitel Corporation

has sold 51% of its common shares to

British Telecommunications plc

The undersigned acted as financial advisor to Mitel Corporation in connection with this transaction and assisted in the negotiations.

Salomon Brothers Inc

One New York Plaza, New York, New York 10004 Atlanta, Boston, Chicago, Dallas, London (affiliate), Los Angeles, San Francisco, Tokyo (affiliate), Zurich Member of Major Securities and Commodities Exchanges.

Tung asks for ordered ships

BY YOKO SHIBATA IN TOKYO

C. H. TUNG, the Hong Kong shipping group and its creditor banks have gone all out to persuade Mitsubishi Heavy Industries (MHI), the Japanese shipbuilders, to reverse an apparent decision earlier this week, to withhold delivery of four container vessels to the Tung group.

Senior officials of the Japanese Ministry for International Trade and Industry (MITI) called in Mitsubishi executives yesterday. According to the MITI officials, the ministry is concerned that the withholding of Japanese-made vessels ordered by Tung could lead to difficulties in Japan's trade relations with China.

China hints at allowing foreign insurers

BY ROBERT THOMSON IN PEKING

THE POSSIBILITY of the Chinese Government allowing foreign insurance companies to operate in China is always under consideration, according to Mr. Liu Zhenfeng, vice-president of the People's Insurance Company of China (PICC).

observers have generally held that China would be reluctant to let go its tight grasp on the business. Mr. Liu told a press conference that no firm plans had been made for breaking up the monopoly of the state-run People's Company, but such a move is a possibility under the present economic reform programme.

Association of Insurance Supervisory Authorities of Developing Countries, which will be held simultaneously in Peking from June 22 to June 27.

Loss at Nippon Cargo Airlines

NIPPON CARGO Airlines (NCA) yesterday reported a net loss of ¥3.53bn (\$23m) on turnover of ¥19.27bn in its first year to March, Kyoto reports from Tokyo.

Officials blamed the loss on the delayed inaugural flights and slow US air cargo demand. In the current year, the company expects an operating loss of ¥2.3bn even if it is allowed to add three more weekly flights on the Narita-New York route and to begin flying into Hong Kong and Singapore during the period.

Mitsui & Co ahead 15%

By Our Tokyo Staff

MITSUI & CO, the Japanese trading house, and its group companies lifted net profits 15.4 per cent to ¥11.67bn (\$70.17m) in the year to March, mainly as a result of an improvement in non-operating income and the sale of shares in some subsidiaries.

Turnover, eroded by the yen's sharp appreciation, advanced only 2.7 per cent to ¥18,081.55bn. Exports rose 2.2 per cent and domestic sales were up 6.9 per cent while trade between third countries—centring on crude oil and machinery—advanced by 8.9 per cent.

This announcement appears as a matter of record only.

December, 1985

LINCOLN SAVINGS AND LOAN ASSOCIATION

U.S. \$100,000,000 Collateralized Floating Rate Notes due 1999 For the six months 12th June 1986 to 12th December 1986 the notes will carry an interest rate of 7 1/4% per annum with an interest amount of U.S. \$1,858.59 per U.S. \$50,000 nominal. The relevant interest payment date will be 12th December 1986. Listed on the Luxembourg Stock Exchange. Bankers Trust Company, London Agent Bank



PETLAS LASTIK SANAYI VE TICARET A.S. US \$17,500,000 Medium Term Loan

Guaranteed by THE REPUBLIC OF TURKEY

Arranged by Arab Banking Corporation (ABC) Arab Turkish Bank/Istanbul

Provided by Arab Banking Corporation (ABC) Arab Turkish Bank/Istanbul Arab African International Bank Banco Arabe Español, S.A. "ARES BANK" Banque Intercontinentale Arabe Holantse Bank-UNI N.V. Istanbul Branch Türkiye İŞ Bankası A.S. Frankfurt Branch ALUBAF Arab International Bank E.C. The Commercial Bank of Dubai Limited

Agent Arab Banking Corporation (ABC)



The Royal Bank of Scotland Group plc

US\$350,000,000 Undated Floating Rate Primary Capital Notes

In accordance with the Terms and Conditions of the Notes, notice is hereby given that for the Interest Period from 11th June, 1986 to 11th December, 1986, the Notes will bear a Rate of Interest of 7 1/4% per annum. The amount of interest payable on 11th December, 1986 will be US\$368.54 per US\$10,000 Note, and US\$9,213.54 per US\$250,000 Note.

Agent Bank



A MEMBER OF THE ROYAL BANK OF SCOTLAND GROUP



Bankers Trust New York Corporation US\$300,000,000

Floating Rate Subordinated Notes Due 2000

For the three months 11th June, 1986 to 11th September, 1986 the Notes will carry an interest rate of 7 1/4% per cent per annum and interest payable on the relevant interest payment date 11th September, 1986 will be US\$102.08 per US\$10,000 Note and US\$452.08 per US\$250,000 Note.

Bankers Trust Company, London

Agent Bank

CORRECTION NOTICE

U.S. \$150,000,000 Midland International Financial Services B.V. (Incorporated with limited liability in the Netherlands)

Guaranteed Floating Rate Notes 1992

Guaranteed on a subordinated basis as to payment of principal and interest by Midland Bank plc

For the six months from 9th June, 1986 to 9th December, 1986 the interest payable against Coupon No 15 will be U.S. \$190.63 per U.S. \$5,000 Note and not as previously published.

Agent Bank: Morgan Guaranty Trust Company of New York

INTERNATIONAL COMPANIES and FINANCE

David Marsh reports on a minor revolution at France's foreign trade bank BFCE forced to adopt a higher profile

THE GRADUAL shift towards deregulation of the Paris financial markets is sparking off a minor revolution in the club-like parlours of Banque Française du Commerce Extérieur (BFCE), France's state-controlled trade bank.

For 40 years, BFCE, owned by a select grouping of the country's biggest banks and financial institutions, has made a comfortable, if unexciting, living providing subsidised loans for France's post-war foreign trade expansion.

It has grown to become the nation's ninth largest bank in terms of assets, and one of the most important behind the Big Three nationalised banks in terms of loans to French industry and commerce.

Even so BFCE's greatest exposure to the limelight to date came nine years ago when a priceless collection of 15th century carved heads of kings long missing from Notre Dame cathedral, were found in a courtyard at its headquarters near the Paris Opera.

Today competition is forcing the bank to adopt a higher profile. The shift is not entirely to the liking of the other big banks, which see BFCE encroaching into their own commercial backyards.

Liberalisation of France's export credit procedures, slower growth in French exports to heavily indebted developing countries, and growing demand for more sophisticated services for corporate clients are all combining to bring BFCE into greater competition with mainstream commercial banks.

The shift risks injecting an element of rancour into the French banking scene, where BFCE occupies a unique hybrid position.

Around one-third of its balance sheet of FFf 263bn (\$28.5bn) is made up of commercial lending. Two-thirds represents its "institutional" role. This is made up of lending to exporting companies (suppliers' credits) and import-

ing countries (buyers' credits) under official financing schemes, with the latter category including the refinancing of the growing number of loans to the Third World rescheduled under international agreements.

BFCE is the only subsidiary of the Bank of France, which owns 24.5 per cent of its FFf 1bn capital. The official financing organisation, Caisse de Paris, Crédit Lyonnais and Société Générale—as well as Crédit Agricole and Crédit National each own 10 per cent.

BFCE's effort to build up its commercial activities is an inevitable consequence of the state's move to reduce gradually subsidised credits throughout the economy and to lower barriers between different French financial sectors. Underlining the pressures on BFCE's traditional business, its export credits total fell sharply for the first time to FFf 14.6bn at end-1985 from FFf 170bn in 1984, reflecting above all a drop in large French export contracts.

The previous Socialist government brought in measures both to phase out subsidised export credits for the richer category of importing countries and to open up export credit procedures to greater competition among the country's banks.

Since the beginning of the year, the BFCE no longer functions as the window through which the Bank of France makes available cheap discount finance for exports. Instead, the Treasury now channels sums directly to the bank to lower the cost of export credits to poorer countries—a procedure which is considerably more transparent than the old one.

The moves have stripped the BFCE of some of its privileges. But the Big Three banks—which are earmarked for a special dose of liberalism under the new Right-wing Government's denationalisation programme complain that BFCE is being encouraged to develop its commercial banking side with too many advantages still intact.

As an example, under the ending of subsidies on export credits to richer countries, commercial banks now have to try to raise loans from the capital market to back exports to these clients. If they are unable to secure the funds at internationally competitive interest rates, the BFCE has been given a monopoly to carry out the business itself.

A senior executive of one of the Big Three, who has a precise insight into BFCE's accounts because of his bank's share-

allowed to raise funds abroad with a formal state guarantee. "They are sometimes a public bank, sometimes a private bank. I call that unfair competition," BFCE describes as a natural evolution its move to capitalise on commercial banking expertise which it has traditionally kept under wraps. In previous years the bank held back from providing medium-term suppliers' credits because it had the monopoly of granting long-term loans in this area. It also tailored its foreign expansion to the wishes of its shareholder banks—one of the reasons why it chose to open its only foreign branch in Milan rather than in West Germany.

Now, BFCE will be less restrained. "The role of the bank in working for the state will diminish," says Mr Michel Freyche, who took over as chairman in 1982 after a long career as a senior economics civil servant. "This raises the question of developing other activities."

"Now that our intervention is less automatic, we can discover the freedom open to other commercial banks," Mr Freyche says. It is "not inconceivable" that the proportion of commercial to "institutional" business could shift towards 50:50 in the next few years as BFCE builds up its general activities in servicing corporate clients.

The bank also faces the difficulty common to the rest of the industry of exposure to problem clients. Reflecting a mixture of sovereign risks and those on troubled French industrial groups, provisions on its lending risks came to FFf 444m last year—dwarfing its slender net profit of FFf 60m, which rose 6 per cent from 1984.

Having no retail banking activity, BFCE has not been able to find a substitute—as some French banks such as Société Générale have done—by building up a high-margin personal loans business. The only course open has been an effort to expand on its customer base of 3,000 French companies to develop "tailor-made" banking packages outside the specific export credit area.

With big companies becoming more efficient in shaving down margins on traditional loan business—where many of them now borrow at close to money market rates—BFCE has also gone flat out to increase its earnings from financial services. Including its income from export credit commissions—likely to decline in coming years—these presently account for about 40 per cent of its operating profits, against 60 per cent from interest earnings.

To boost the all-round nature of its activities, BFCE is trying to build up its expertise in venture capital as well as in financial market dealing.

One of the biggest structural borrowers on the French money market, it has profited from its strong links both to institutional lenders and to corporate treasurers to become a leader in dealing in the newly-developed French commercial paper market. It is spending FFf 120m over three years in building and equipping with computerised systems a new financial dealing room to centralise treasury and financial market operations.

One of BFCE's principal selling points in a battle to win corporate client business is that it can offer a more streamlined service, and quicker decisions on credit requests, than the Big Three. Some of its clients say, however, it could still make an effort to improve efficiency.

In an increasingly competitive banking atmosphere, it will be up to BFCE to prove in coming years that it has succeeded in making the transformation from a public service bank to a more dynamic animal. The somewhat sceptical chairman of a large foreign bank in Paris sums up the challenge: "It's a difficult task—BFCE has to change its internal culture."



Mr Michel Freyche: seeking "the freedom open to other banks"

holding, says BFCE has been given a potentially highly beneficial "safety net" rule in case the export credit liberalisation proves unworkable because of a renewed rise in French interest rates.

He believes BFCE's low profitability as well as its relative smallness restricts its competitive muscle in commercial banking. But the executive complains that the line between BFCE's institutional and commercial activities is not clear. The bank—highly active on international capital markets, where it raised FFf 8bn last year—is the only French bank

NOTICE OF EARLY REDEMPTION

ITT ANTILLES N.V.

(the "Issuer")

Notice to the holders of the outstanding U.S.\$75,000,000

9½% Guaranteed Bonds due 1989 of the Issuer (the "Bonds")

of the

EARLY REDEMPTION ON AUGUST 1, 1986 of all the Bonds by the Issuer

Notice is hereby given to the holders of the Bonds that in accordance with Condition 5(b) of the Bonds, the Issuer will redeem all of the Bonds then outstanding on August 1, 1986 (the "redemption date"). The Bonds will be redeemed at 100% of their principal amount plus interest accrued to the redemption date at the specified office of any of the Paying Agents listed below, against surrender of Bonds with all unmatured coupons attached, failing which the face value of any missing unmatured coupon will be deducted from the payment. Any amounts of principal so deducted will be paid against surrender of the relevant missing coupon within a period of ten years from the date on which such coupon is expressed to become due. Interest on the Bonds will cease to accrue from the redemption date. Bonds will become void unless presented for payment within ten years of the redemption date.

PRINCIPAL PAYING AGENT

Swiss Bank Corporation (Luxembourg) Limited, 26, Route d'Artois, Luxembourg 2

PAYING AGENTS

Algemene Bank Nederland N.V., Vijzelstraat 32, Amsterdam 1000EG

European Banking Company Limited, 150 Leadenhall Street, London EC3V 4FP

Banque Bruxelles Lambert S.A., Avenue Marnix 24, B-1050 Brussels

Manufacturers Hanover Trust Company, 40 Wall Street, New York, NY 10015

Swiss Bank Corporation, Paradeplatz 6, 8022 Zurich

Deutsche Bank Aktiengesellschaft, Grosse Gallusstrasse 10-14, 6000 Frankfurt/Main

Banque de Paris et des Pays-Bas, 3 Rue d'Artois, 75000 Paris

Swiss Bank Corporation (Luxembourg) Ltd. Principal Paying Agent.

Paribas Concorde Trust Limited

(Incorporated in Guernsey under the Companies (Guernsey) Laws 1908 to 1973)

£100,000,000 nominal of 9.364 per cent. Debenture Stock 1991

Placing Price £97.50 per cent.

Placing by

James Capel & Co.

Application has been made to the Council of The Stock Exchange for the whole of the 9.364 per cent. Debenture Stock 1991 ("Debenture Stock") to be issued to be admitted to the Official List.

In accordance with the requirements of The Stock Exchange £1.5 million nominal of the Debenture Stock will initially be offered to the market and a further £10 million of the Debenture Stock will be provisionally reserved for the market on the date of publication of this advertisement. Interest on the Debenture Stock at the rate of 9.364 per cent. per annum will be payable (without deduction of tax) by equal half-yearly instalments on 30th June and 30th December in each year, except that the first payment of interest, which will be made on 30th December, 1986, will be in respect of the period from 19th June, 1986 to 30th December, 1986 (both dates inclusive) and will amount to £5,028,334

gross per £100 nominal of the Debenture Stock. The redemption yield on the Debenture Stock, at the placing price, is 10.007 per cent.

Share Capital

Authorized	Issued and to be issued fully paid or treated as fully paid
150,000	125,000
37,500	31,250
	Ordinary Shares of 5p each
	Deferred Ordinary Shares of 5p each

The Ordinary Shares and the Deferred Ordinary Shares of 5p each will rank pari passu in respect of income and voting rights. Particulars of the Debenture Stock are available in the Statistical Services of Extel Statistical Services Limited. Copies of the Listing Particulars relating to the Company may be obtained during usual business hours up to and including 17th June, 1986 from the Company Announcements Office of The Stock Exchange and up to and including 27th June, 1986 from:

Banque Paribas
68 Lombard Street
London EC3V 1EH

James Capel & Co.
James Capel House
PO Box 551
6 Bevis Marks
London EC2A 7JQ

13th June, 1986

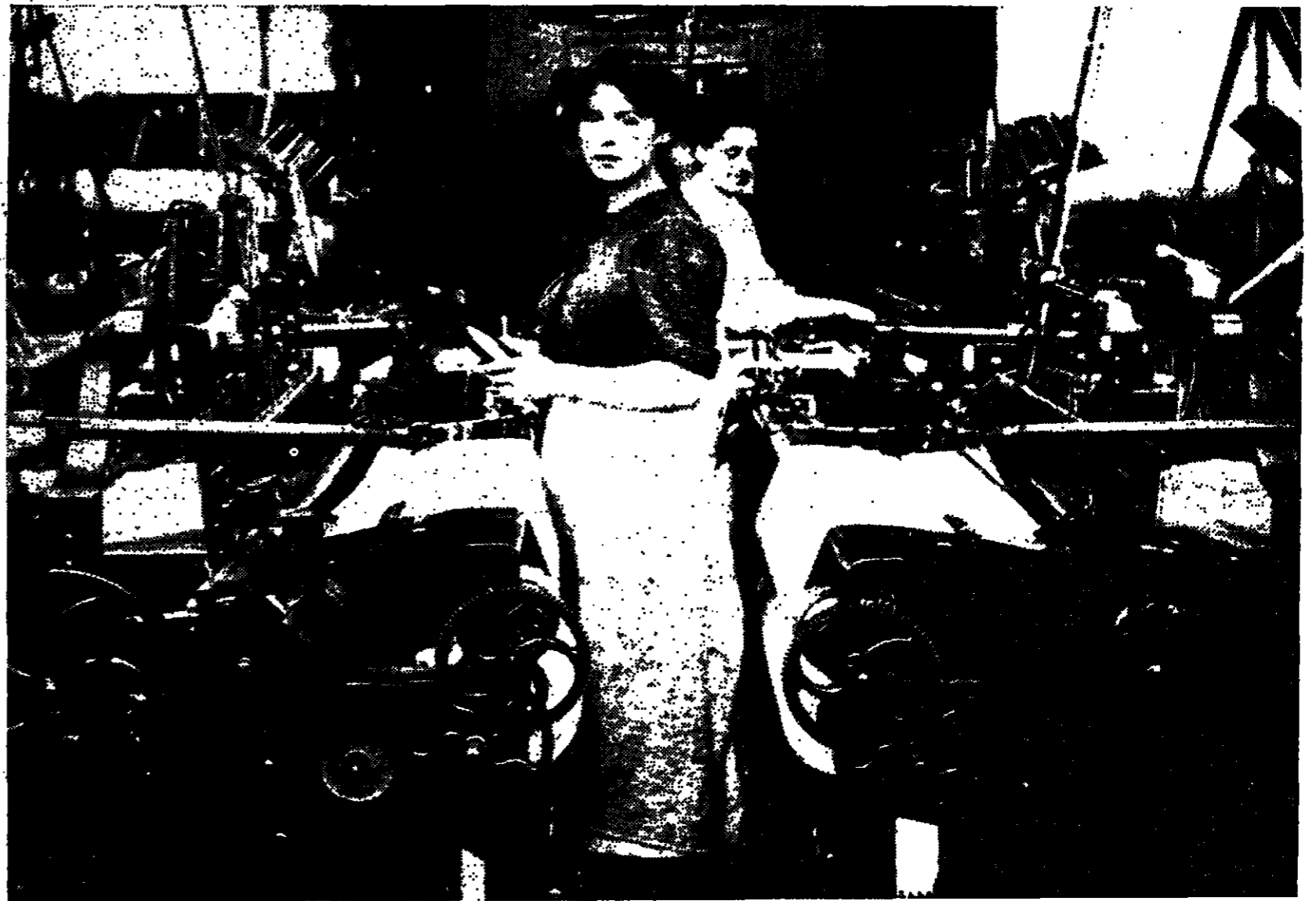
CORPORATE FINANCE

The Financial Times proposes to publish a survey on the above subject on Thursday 3rd July 1986.

For details of advertising rates, please contact:

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INTERNATIONAL COMPANIES and FINANCE

Citicorp first foreign bank to tap Euroyen market

BY CLARE PEARSON

CITICORP became the first non-Japanese bank directly to tap the Euroyen market yesterday with a ¥20bn financing led by Citicorp Investment Bank...

US Treasury market improving on the back of a 0.1 per cent drop in May retail sales. Sweden's bond traded at discounts to issue price around the levels of its total fees...

though a support bid price of \$9.75 was quoted. Bank of Tokyo International arranged a \$50m three-year deferred coupon FRN for Belgian Generale Bank...

Alexander Nicoll on the controversy surrounding the role of inter-dealer brokers AIBD market-maker proposals under fire

AT THE Association of International Bond Dealers' (AIBD) annual meeting in Singapore last month, controversy centred around a document that most participants had not even seen...

but are nowhere to be found in foul, should not enjoy the same privileges accorded to true market-makers - that is, the commitment of a market-maker to deal with them...

already taken off for the festivities in Singapore, but were not distributed at the meeting there. Dealers were asked to sign application forms which appeared to commit them to observing the rules proposed by the committee...

completely unacceptable and will be unenforceable. Mr Sandy Joyce, whose firm, Purcell Graham, pioneered Eurobond broking, believes that even some committee members are against disclosure of names...

Another issue initially raised by the proposals was the suggestion that reporting dealers should make markets in at least a quarter of a given sector of the market to at least two of market-makers. This is opposed by smaller firms and is seen as potentially reducing liquidity in issues which are already illiquid...

DM monthly calendar dropped

BY OUR EUROMARKETS STAFF

THE BUNDESBANK yesterday said that it was abolishing the monthly calendar for new issues of D-mark Eurobonds from next month. Instead, there will be private, fortnightly registration of new deals.

West German bankers have been pressing the Bundesbank to abolish the monthly calendar some time, but did not expect a decision so soon. They were pleased to see that registration would be private, since there had been fears the two-weekly public announcement timetable would only upset the market further.

far this month, only DM 925m, comprising seven issues, has appeared out of DM 16.9bn on the calendar. Borrowers have been filing for issues which have depended on the appearance of swap opportunities, which cannot be guaranteed monthly timetable. Fortnightly registration should make it somewhat easier to assess market conditions.

World Bank in 15-year Samurai issue

By Peter Montagu, Euromarkets Correspondent

THE WORLD BANK has launched a ¥30bn, 15-year bond issue in the Japanese domestic market, the first of an innovative series of bonds designed to boost the appeal of its paper to local investors.

NatWest Investment Bank opens doors next Monday

BY DAVID LASCELLES

NATWEST Investment Bank (NWIB), the investment banking arm of the National Westminster Bank, is to open its doors next Monday, to open its doors next Monday.

Setback for Harrison's

BY OUR FINANCIAL STAFF

HARRISON'S Malaysian Plantations suffered a 33.5 per cent decline in pre-tax profits in 1985-86 (ringgit \$49.5m) in the year to March, affected by weak commodity prices and severe competition.

FT INTERNATIONAL BOND SERVICE

Listed are the 300 latest international bonds for which there is an adequate secondary market.

Table with columns for Bond Name, Issued, Maturity, Yield, and Price. Includes sections for US DOLLAR, OTHER STRAIGHTS, DEUTSCHE MARK, and YEN STRAIGHTS.

HK approves money market unit trusts

HONG KONG'S Securities Commission is to approve the establishment of unit trusts investing in money market instruments denominated in Hong Kong dollars, AP-DM reports.

The commission will examine each application to create such trusts individually. It will set a minimum level of subscription by each investor at HK\$50,000 (US\$6,250) and require at least 20 per cent of a trust's assets to be placed on call with banks or deposit-taking companies.

Euromoney offer closed

By Our Euromarkets Correspondent

THE INTERNATIONAL share offer by Euromoney Publications closed early yesterday when Merrill Lynch set a price of \$4.80 on each of the 3.17m shares on offer.

Euromoney offer closed

By Our Euromarkets Correspondent

THE INTERNATIONAL share offer by Euromoney Publications closed early yesterday when Merrill Lynch set a price of \$4.80 on each of the 3.17m shares on offer.

Advertisement for IBM Australia Credit Limited, featuring a large heading 'A\$150,000,000' and '12 1/2% Notes Due June 4, 1989'. Lists various financial institutions and banks.

UK COMPANY NEWS

Premier in £19m oil and gas deal with Burmah

BY LUCY KELLAWAY

Premier Consolidated Oilfields, the independent company, has agreed to buy Burmah Oil's entire oil and gas exploration and production interests in an all share deal worth about £19.5m.

The assets to be exchanged include 59m in cash, a 8.4 per cent interest in the Thistle Field in the North Sea and an 8.4 per cent interest in the Columbia in the US.

Premier's turnover was £10.5m (£9.2m), while gross profits were £2.8m, as were profits after tax of £1.3m.

There is again no dividend for 1985-86 but another one-for-10 scrip issue is proposed.

COMPANY NEWS IN BRIEF

NEW THORGMORTON TRUST (1985), reports an increase of 46 per cent from 106.1p to 154.6p in the net asset value per 25p capital share in the year to March 31 1986.

(men's fashion designer and retailer), pushed up turnover to £10.85m (£7.38m) and profit to £402,000 (£304,000) in year ended March 31 1986.

STERLING INDUSTRIES, light engineer, raised pre-tax profits to £282,000 (£200,000) for the year ended March 31 1986.

ROWLSON SECURITIES, property investment and development, reports earnings of 5.94p (5.49p) for the year ended March 31 1986, and is raising the dividend to 0.715p (0.65p) with a final of 0.5375p.

NORTH BRITISH Steel Group (Holdings) reported pre-tax profits of £25,000 for the 28 weeks to April 12 1986, against losses last time of £430,000.

HANSON TRUST has sold the two specialist paper-making businesses of Robert Stephenson & Son to Melton Mowbray, a privately-owned industrial concern.

DIVIDENDS ANNOUNCED

Table with columns: Company Name, Date, Dividend, etc.

The Littlewoods Organisation PLC £60,000,000 TENDER PANEL ACCEPTANCE CREDIT AND CASH ADVANCE FACILITY Arranged by Barclays Notes Team

Stock Conversion holders go for cash

By Lionel Barber

Peninsular & Oriental Steam Navigation yesterday revealed that 67 per cent of shareholders in Stock Conversion, the property company, had accepted the cash alternative in its £622m agreed bid, leaving an equivalent amount of P&O shares with the sub-underwriters.

Hambros said that several key Stock Conversion shareholders - the Levy family, Stockley, the property company, and secretaries clients of Henry Ansbacher, the merchant bank - had made it clear that they intended to take the cash alternative.

BET becomes force in security with £33m Shorrock purchase

BY CHARLES BATCHELOR

BET, the laundries, transport and construction services group, is making an agreed bid worth £33.2m for Shorrock, the electronic security company, in a move which takes BET into the security industry in a big way for the first time.

BET is offering 71 of its own shares for every 200 of Shorrock. With BET's shares unchanged at 300p yesterday, the bid was valued at 188.4p per Shorrock share.

security operation, Arrow Security Systems, which has allowed it to test the market, but Shorrock will give it an immediate, sizeable stake in the sector.

Caffyns confident as profits rise by 22%

A 22 per cent increase in profits to £638,000 for the year ended March 31 1986 and an optimistic statement regarding the current year's prospects pushed up the shares of Caffyns, the south of England motor dealer. They rose 8p to close at 242p.

The directors are also looking for a substantial reduction in interest charges, reflecting a decline in borrowings following the sales of properties and the fall in interest rates generally.

Approach to Wemyss Trust

Wemyss Investment Trust yesterday disclosed it was in talks with a potential bidder. The shares closed 20p higher at 610p.

Woolworth renews attack on Dixons' bid

By Charles Batchelor

Woolworth yesterday launched a strong attack on Dixons' revised £1.62bn takeover bid, claiming it would flood the stock market with Dixons' shares without providing a viable retailing formula for Woolworth.

Mr Mulcahy criticised Dixons' failure to make proposals for more than 5m sq ft of Woolworth's space, and described Dixons' retail plans as "a damp squib".

"The third consecutive year of impressive profit growth" W. K. ROBERTS, CHAIRMAN Staveley Industries plc Profit Before Tax £ Millions 1982/83: 4.3, 1983/84: 6.4, 1984/85: 8.3, 1985/86: 10.8

Acquisitions boost Thermal Scientific to over £3m

Thermal Scientific has continued its growth with the help of acquisitions. In the second half it has made a profit of £2.1m to give a pre-tax total of £3.1m for the year ended March 31 1986.

Dreams are turned into reality

Smallbone, the Wiltshire-based company whose business is turning dream kitchens into reality for customers who do not have a budget of £20,000, is poised to achieve an ambition of its own: it will be coming to the unlisted securities market next week at a value of just under £3m through a placing by S. Beech, the Bristol stockbroker.



Richard Tomkins previews the launch of Smallbone on the unlisted market

However, the company's soon spotted an increasing demand for a complete design and installation service at the luxury end of the fitted kitchen market. This led to the launch of a range of plus-style furniture, which they put on sale through their first showroom in west London.

we offer people instead is a total design concept." Mr Clark says demand has risen as house prices have soared because people are generally prepared to spend about 10 per cent of the house purchase price on their kitchen.

The number of showrooms has now grown to 11, including one in Harrods. Last year two ranges of bedroom furniture were added to the company's products and this year it is expanding into bathrooms.

Individual requirements. Even dog kennels are incorporated if required. Sales tend to be concentrated in the more prosperous parts of the country—notably the South-East—where people have increasing amounts of money to spend on furnishing their homes, but are increasingly inclined to spend time on the process.

All-round improvement lifts Slaters to £1.2m

Slaters Food Products, USM, quoted food manufacturer and distributor, lifted pre-tax profits to £1.17m for the year ended April 5 1986, compared with a pre-tax profit of £888,000 and £864,000 as restated. All selling divisions showed improved results.

Thomas French confident

CONTINUING LOSSES in Australia and South Africa have again hit Thomas French and Sons. But its underlying strength and recovery prospects justify holding the interim dividend at 1.15p net per share, the directors state.

In the half year ended March 29 1986 sales were maintained at £13.4m (£13.3m) but the pre-tax profit fell from £742,000 to £481,000. The UK increased its contribution by 26 per cent to £779,000, while the loss in Australia of £253,000 was due substantially to final exceptional costs of the merger with Newell Products.

Brownlee improves in second half

ALTHOUGH second half profits of Brownlee, Glasgow-based timber and builders' merchant, improved over the first six months of 1986, the total of £291,000 pre-tax was far short of the previous year's £2.6m.

Brownlee improves in second half

Mr R. B. Jack, the chairman, says that the exceptionally difficult trading conditions since the W. Lang (Paisley) acquisition last August have prevented the group from exploiting its full potential within the group. He adds, however, that the group remains confident of the benefit in the longer term and plans are well advanced for the introduction of a full products' service at Paisley.

Grand Met reorganises

GRAND METROPOLITAN has formed a new brewing and retailing division incorporating Watney Mann & Truman Brewers, The Berni and Host Group, Clifton Inns and Holston Distributors. Mr I. A. Martia, a director of Grand Metropolitan, and currently chairman and chief executive of Watney Mann & Truman Brewers, has been appointed chairman and chief executive of the brewing and retailing division. Reporting to Mr Martia will be: Mr E. J. Gibbons, managing director of The Berni and Host Group; Mr J. Jagger, managing director of a group of agency companies comprising Finster Distributors, Watney Mann National Sales and Watney Mann & Truman Brewers Export; Mr J. R. McGrath, managing director of Watney Mann & Truman Brewers; Mr A. O. Norman, managing director of Clifton Inns; Mr R. G. Williams, managing director of WER Property; Mr K. Holloway, commercial affairs director; Mr W. D. Sharrow, personnel and administration director; and Mr R. Wright, finance director, who joins Grand Metropolitan from the Imperial Group, where he was finance director of Sol-Tenco since the company was formed in 1983.

responsibilities cover the activities of May & Baker industrial, laboratory and photographic chemicals as well as Rhône-Poulenc (UK) and Rhône-Poulenc Systems. As part of its continuing programme to streamline the company's organisation, BRITISH AEROSPACE is to amalgamate its naval weapons division with the electronic systems and equipment division. The new division will become operational on January 1, 1987 with its headquarters at Bristol and Mr P. Brigham, currently managing director of electronic systems and equipment division, will be the new divisional managing director. At the same time, Dr B. Rowley, naval weapons division's managing director, will retire.

Mr Ron Emery, director industrial relations; to succeed Mr Derek Gaultier as director general of the FEDERATION OF CIVIL ENGINEERING CONTRACTORS upon Mr Gaultier's retirement at the end of the year. Mr Jack Bovea will continue as deputy director general and will have overall responsibility for external and economic affairs and public relations. Mr Ben Norton, director-legal affairs, has been appointed general secretary. His role will embrace legal affairs, finance and administration.

Mr R. H. Sarnell has been appointed to the board of COSTAIN GROUP, joining Costain in 1980. Mr Sarnell has worked for group companies in Iran, Nigeria, the US and Britain. Currently he has overall responsibility within the newly-established engineering and construction organisation of the group for UK managed mining operations, dredging, concrete products, the group's investment in the GKN Kwikform scaffolding business and for venture investments to promote construction opportunities.

BOARD MEETINGS table with columns for TODAY, FUTURE DATES, and various company names like Hawtin, Millward Brown, etc.

THE LONDON ORIGINAL PRINT FAIR AT THE ROYAL ACADEMY OF ARTS. FIVE CENTURIES OF FINE PRINTS. EXHIBITIONS BY TOP DEALERS FROM LONDON AND AROUND THE WORLD. JUNE FRIDAY 13-SATURDAY 14-SUNDAY 15. OPEN DAILY 10-6. ADMISSION £1.00. ENQUIRIES 01 244 7145.

ECU 130,000,000 NIPPON TELEGRAPH AND TELEPHONE CORPORATION. 7% Notes due 1993. Issue Price 100 3/4%. BANQUE PARIBAS CAPITAL MARKETS LIMITED, DAIWA EUROPE LIMITED, ALGEMENE BANK NEDERLAND N.V., etc.

BROWNLEE PUBLIC LIMITED COMPANY. Importers and merchants of timber, timber based products, building materials and components. RESULTS Year ended 31st March 1986. Turnover 35,907, Profit before tax 891, Shareholders' funds 16,660, etc.

HARRISON'S MALAYSIAN PLANTATIONS BERHAD. PRELIMINARY REPORT FOR THE YEAR ENDED 31st MARCH, 1986. The Directors announce that the unaudited results for the year ended 31st March, 1986, were: GROUP 1986 1985, COMPANY 1986 1985. Turnover 753,983 1,062,299, Investment and other income 20,794 20,669, etc.

FT COMMERCIAL LAW REPORTS

Sellers to ensure ship can discharge

U.S. \$70,000,000
Banco Nacional de Desarrollo
Floating Rate Notes Due 1987
Morgan Guaranty Trust Company of New York

EURICO SPA v PHILIPP BROS
Queen's Bench Division
Commercial Court: Mr Justice Staughton: May 20 1986

WHERE A contract of sale of goods as set out provides that the ship may discharge at any port to be nominated by the buyers from an agreed range, it is for the sellers to ensure that the ship is capable of discharging from any such port...

The buyers declared Ravenna as discharge port and at 12.45 pm on May 19 the vessel reached the outer anchorage there. She gave notice of readiness at 13.00 hours but the port authorities would not authorise her entrance as her draft exceeded the allowable maximum.

Mr Merriman referred to Mr. Knott and Barker v Arrol 119/33 44 LL Rep 334. The judgment showed that where there was one named destination it was the seller's responsibility to select a ship which could get there—and to obtain a contract of carriage which obliged her to go there rather than as near as she could safely get.

Mr Merriman was right in his submission that the sellers undertook that the ship was capable of entering all main Italian ports. It followed that time did not start to count when the vessel first arrived at the anchorage near Ravenna.

REDEMPTION NOTICE
U.S. \$125,000,000
THE MORTGAGE BANK AND FINANCIAL ADMINISTRATION AGENCY OF THE KINGDOM OF DENMARK

SONATRACH
Societe Nationale pour la Recherche, la Production, le Transport, le Transmanche et le Commercialisation des Hydrocarbures
U.S. \$50,000,000 Guaranteed Floating Rate Notes due 1986 to 1992

HIS LORDSHIP said that under the terms of a charterparty the ship proceeded to India to load a cargo of rice, and to carry it to "one port East Africa."

Pursuant to the charterparty rice was shipped at Kandla and bills of lading were issued providing for carriage to Mombasa. Then the original sale fell through.

The bills of lading had come into the possession of Philipp Bros, the charterers' associated company. On May 6, 1981 Philipp Bros agreed to sell and Eurico agreed to buy the rice shipped at Kandla for one main Italian port to be declared.

It was then found that the cargo was slightly infested with five insects and as a result the port authorities required fumigation before discharge. A disinfection certificate was received on June 11. The vessel commenced discharging on June 12 and completed on July 16.

The time allowed for discharging was only five days 21 hours. The sellers claimed demurrage for over 39 days, amounting to \$319,908. They said the buyers could not lawfully nominate Ravenna as the port of discharge as the vessel could not enter the port.

When notice of readiness was given on May 19 the vessel had to be "in every respect ready" to discharge, in accordance with the charterparty. She was not ready because she could not enter the port. The sellers did not dispute that, but they said the situation was the result of an unlawful nomination and the buyers could not be heard to say that the ship was not ready, or she must be deemed to be ready.

In Reardon Smith Line v Australian Wheat Board [1954] 2 Lloyd's Rep 149 Chief Justice Dixon, in a dissenting judgment, said that when the charterer specified the place at which he desired the cargo to be delivered "the shipowner must take the responsibility of ascertaining where he can safely berth"; but when the charter limited the choice to safe ports the purpose was "to impose on the charterer the necessity of... avoiding an unsafe port."

That dissenting judgment was upheld in the Privy Council ([1956] AC 296). Thus if the charterparty was for one named port, the shipowner must satisfy himself that his ship could go there; if it was for one safe port out of range, such as East Coast of Italy, it was for the charterer to nominate only a port which the ship could safely use.

But what of the position where the charterer was to nominate one from a list of named ports, or one from a range, and in neither case was he expressly required to nominate a safe port? There was as yet no accepted doctrine in charterparty cases where the word "safe" was not used.

Mr Merriman was right in his submission that the sellers undertook that the ship was capable of entering all main Italian ports. It followed that time did not start to count when the vessel first arrived at the anchorage near Ravenna.

There being no finding that the insects were the fault of the ship, she was ready to discharge. Time started to count at 8.00 hours on May 29 following notice of readiness given at Ravenna on May 28.

THESE REPORTS are published in volume form with the full texts of judgments. For subscription details contact Kluwer Law Publishing, Africa House, 68 Kingsway, London WC2B 6BD. Phone 01-831-0391.

FINANCIAL TIMES BOOKLETS
The following booklets are available from the Financial Times
Capital Gains, The key figures to calculating your tax \$4.50

NOTICE OF PREPAYMENT
THE DA-I-CHI KANGYO BANK LTD
U.S. \$20,000,000
Floating Rate Certificates of Deposit
THE SUMITOMO BANK, LTD
U.S. \$20,000,000
Floating Rate Certificates of Deposit

Manchester Business School
The Senior Executive Programme
An intensive three week programme for members of an organisation's top Executive team.
FINANCE : MARKETING : STRATEGY

Scrimgeour Vickers (Traders) Limited.
"AT SCRIMGEOUR VICKERS WE ARE BUILDING AN EQUITY MARKET MAKING TEAM TO MATCH THE REPUTATION OF OUR RESEARCH AND SALES ARMS."
Peter Fisher, Managing Director, Scrimgeour Vickers (Traders) Limited.
TO LEARN MORE
Telephone: 01-588 8920
Write to: Peter Fisher 62 London Wall London EC2M 5TP

This Announcement appears as a matter of record only. MARCH 1986
£200,000,000 TRANSFERABLE LOAN FACILITY
ABBAY NATIONAL BUILDING SOCIETY
Lead Managers: The Mitsui Bank, Limited
Credit Lyonnais, Deutsche Bank Aktiengesellschaft, Lloyds Merchant Bank Limited, The Bank of Tokyo, Ltd., The Nippon Credit Bank, Ltd., The Tokai Bank, Limited, Banco di Roma, Bank of Credit and Commerce International S.A., The Mitsui Trust and Banking Company Limited, The Saitama Bank, Ltd., Cassa di Risparmio delle Provincie Lombarde, Credito Italiano, The Daiwa Bank, Limited, Bank Bumiputra Malaysia Berhad, National Bank of Egypt, The Bank of Tokyo, Ltd., Credit Suisse, Deutsche Bank Aktiengesellschaft, The Mitsubishi Bank, Limited, The Mitsui Bank, Limited, The Nippon Credit Bank, Ltd., The Taiyo Kobe Bank, Limited, The Tokai Bank, Limited, Banco di Roma, Bank of Credit and Commerce International S.A., Credit Lyonnais, Lloyds Merchant Bank Limited, The Mitsui Trust and Banking Company Limited, The Saitama Bank, Ltd., Cassa di Risparmio delle Provincie Lombarde, Credito Italiano, The Daiwa Bank, Limited, Bank Bumiputra Malaysia Berhad, National Bank of Egypt, Lloyds Bank Plc, Agent: The Mitsui Bank, Limited

LONDON RECENT ISSUES

EQUITIES

Table of equity prices with columns for Name, Price, Change, and % Change. Includes entries like British Airways, British Petroleum, and British Telecom.

FIXED INTEREST STOCKS

Table of fixed interest stock prices with columns for Name, Price, Change, and % Change. Includes entries like British Water, British Gas, and British Telecom.

"RIGHTS" OFFERS

Table of rights offers with columns for Name, Price, Change, and % Change. Includes entries like British Airways, British Petroleum, and British Telecom.

Oil and Gas Exploration and Development advertisement. Includes publication date (August 4), insertion guarantee (June 30), and contact information for William Clutterbuck.

F.T. CROSSWORD PUZZLE No. 6,046

Crossword puzzle grid with numbers 1 through 28 indicating starting positions for clues.

Crossword puzzle clues. Across: 1 One to come down in a cheerful setting... Down: 1 Bachelors' money trouble is torture...

AUTHORISED UNIT TRUSTS

Large table of authorized unit trusts. Columns include Name, Price, Change, and % Change. Lists numerous trusts such as British Water, British Gas, and various international funds.

FT UNIT TRUST INFORMATION SERVICE

Table providing detailed information for the FT Unit Trust Information Service, including contact details and service descriptions.

AUTHORISED UNIT TRUSTS & INSURANCES

Main table listing various financial products, including unit trusts and insurance policies, with columns for company names, product details, and prices.

Handwritten signature or stamp at the bottom center of the page.

INSURANCE, OVERSEAS & MONEY FUNDS

Table listing various insurance and overseas funds with columns for fund name, price, and change.

Table listing various money funds with columns for fund name, price, and change.

Table listing various money funds with columns for fund name, price, and change.

OFFSHORE AND OVERSEAS

Table listing offshore and overseas funds with columns for fund name, price, and change.

Table listing various money funds with columns for fund name, price, and change.

Money Market Trust Funds

Table listing money market trust funds with columns for fund name, price, and change.

Money Market Bank Accounts

Table listing money market bank accounts with columns for account name, price, and change.

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Table listing money market bank accounts with columns for account name, price, and change.

Table listing various money funds with columns for fund name, price, and change.

Money Market Bank Accounts

Table listing money market bank accounts with columns for account name, price, and change.

Notes and additional information regarding the funds listed in the tables.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES Dollar continues to ease

The dollar lost ground in currency markets yesterday amid growing evidence that the US economy is showing signs of slowing down. Yesterday's US retail sales figures had been expected to show a rise of 0.5 per cent...

IN NEW YORK

Table with columns: Date, Bid, Ask, Prev. Close. Rows include 1 month, 3 months, 6 months forward premiums.

against the dollar in 1986 is 1.5555 to 1.3770. May average 1.5202. Exchange rate index 78.4 after opening at 78.3 on Wednesday...

Sterling failed to benefit from a weaker dollar and finished at its weakest level of the day. The market was waiting for today's UK inflation figures which are expected to show a significant fall...

Table with columns: Day's spread, Close, One month, Three months, % change. Rows include US, Canada, UK, France, Germany, etc.

Table with columns: Day's spread, Close, One month, Three months, % change. Rows include UK, Ireland, Netherlands, Belgium, Denmark, etc.

Table with columns: Day's spread, Close, One month, Three months, % change. Rows include US, UK, Canada, France, Germany, etc.

Table with columns: Short term, 7 days notice, 1 month, 3 months, 6 months, 1 year. Rows include Sterling, US Dollar, etc.

Table with columns: Bid, Offer, Bid 7, Offer 7 1/2. Rows include The 'filing' rates, The 'filing' rates, etc.

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FINANCIAL FUTURES Firmer trend

Prices of interest rate contracts were firmer on the London International Financial Futures Exchange yesterday. September US Treasury futures gained at 92-15, compared with 91.01 at Wednesday's close...

Table with columns: Strike, Call, Put, Last, Bid, Ask, Prev. Close. Rows include 100, 110, 120, 130, 140, 150.

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33 PER CENT AVERAGE PER YEAR 1973-1985. Advice on OTC Growth Stocks with high profit record. EDWIN HARGITT & COMPANY S.A.

NOTICE TO HOLDERS OF EUROPEAN DEPOSITORY RECEIPTS (EDR) IN MAKITA ELECTRIC WORKS, LTD. Further to our notice of August 7, 1986 EDR holders are informed that Makita Electric Works, Ltd. has paid a dividend to holders of EDRs for the year ended March 31, 1986.

GOLD FIELDS OF SOUTH AFRICA LIMITED (Incorporated in the Republic of South Africa). CONVERTIBLE PREFERENCE SHARES. DIVIDEND DECLARATION OF DIVIDEND.

Notification to Bondholders. COMPAGNIE GENERALE DES ETABLISSEMENTS MICHELIN. 7 1/2% Convertible Bonds due 2000.

Art Galleries. AGNEW GALLERY, 25 Old Bond St., W1. ANDREW WYLLIE GALLERY, 17, Chancery Lane, London, W.C2.

CURRENCY MOVEMENTS

Table with columns: Bank, Rate, % change. Rows include Sterling, US Dollar, Canadian Dollar, etc.

OTHER CURRENCIES

Table with columns: Country, Rate, % change. Rows include Argentina, Australia, Brazil, etc.

STERLING INDEX

Table with columns: Date, Index, % change. Rows include 8.20 am, 8.30 am, 8.40 am, etc.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: Country, Rate, % change. Rows include Belgium, Denmark, France, etc.

FT LONDON INTERBANK FIXING

Table with columns: Bid, Offer, Bid 7, Offer 7 1/2. Rows include The 'filing' rates, The 'filing' rates, etc.

LONDON MONEY RATES

Table with columns: Bid, Offer, Bid 7, Offer 7 1/2. Rows include The 'filing' rates, The 'filing' rates, etc.

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\$ WORLD VALUE OF THE DOLLAR

BANK OF AMERICA NT & SA, ECONOMICS DEPARTMENT, LONDON. The table below gives the value of the U.S. dollar against various currencies as of Wednesday, June 11, 1986.

Table with columns: COUNTRY, CURRENCY, VALUE OF DOLLAR. Rows include Afghanistan, Albania, Algeria, etc.

BRITISH FUNDS

Table listing various British funds, their prices, and performance metrics. Includes sub-sections like 'Shares (Lives up to Five Years)', 'Five to Fifteen Years', and 'Over Fifteen Years'.

AMERICANS

Table listing American funds, their prices, and performance metrics. Includes sub-sections like 'BANKS, HP & LEASING' and 'COMMONWEALTH & AFRICAN LOANS'.

FOREIGN BONDS & RAILS

Table listing foreign bonds and rails, their prices, and performance metrics.

AMERICANS

Table listing American stocks, their prices, and performance metrics.

AMERICANS-Cont.

Continuation of American funds table.

CANADIANS

Table listing Canadian funds, their prices, and performance metrics.

BANKS, HP & LEASING

Table listing banks, HP & leasing funds, their prices, and performance metrics.

COMMONWEALTH & AFRICAN LOANS

Table listing Commonwealth & African loans funds, their prices, and performance metrics.

LOANS

Table listing various loan funds, their prices, and performance metrics.

BEERS, WINES & SPIRITS

Table listing beer, wine, and spirit funds, their prices, and performance metrics.

LONDON SHARE SERVICE

Main section of the financial page listing various London shares across multiple industries: BUILDING, TIMBER, ROADS-Cont.; DRAPERY & STORES-Cont.; ELECTRICALS; CHEMICALS, PLASTICS; DRAPERY AND STORES; BEERS, WINES & SPIRITS; BUILDING, TIMBER, ROADS; and ENGINEERING.

ENGINEERING-Continued

Continuation of the ENGINEERING section.

FOOD, GROCERIES, ETC.

Table listing food, groceries, etc. stocks, their prices, and performance metrics.

HOTELS AND CATERERS

Table listing hotels and caterers stocks, their prices, and performance metrics.

INDUSTRIALS

Table listing various industrial stocks, their prices, and performance metrics.

INDUSTRIALS-Continued

Continuation of the INDUSTRIALS section.

Handwritten text at the bottom center of the page, possibly a signature or note.

INDUSTRIALS - Continued

Table of industrial stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, price change, and volume.

LEISURE - Continued

Table of leisure stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, price change, and volume.

PROPERTY - Continued

Table of property stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, price change, and volume.

INVESTMENT TRUSTS - Cont.

Table of investment trusts including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, price change, and volume.

FINANCE, LAND - Cont.

Table of finance and land stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, price change, and volume.

MINES - Continued

Table of mining stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, price change, and volume.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, price change, and volume.

COMMERCIAL VEHICLES

Table of commercial vehicle stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, price change, and volume.

SHIPPING

Table of shipping stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, price change, and volume.

SHOES AND LEATHER

Table of shoes and leather stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, price change, and volume.

SOUTH AFRICANS

Table of South African stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, price change, and volume.

TEXTILES

Table of textile stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, price change, and volume.

INSURANCES

Table of insurance stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, price change, and volume.

PROPERTY

Table of property stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, price change, and volume.

LEISURE

Table of leisure stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, price change, and volume.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, price change, and volume.

PLANTATIONS

Table of plantation stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, price change, and volume.

OVERSEAS TRADERS

Table of overseas trader stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, price change, and volume.

NOTES

Notes section containing various financial notices and announcements.

REGIONAL & IRISH STOCKS

Regional and Irish stocks section containing various financial notices and announcements.

RECENT ISSUES AND RIGHTS

Recent issues and rights section containing various financial notices and announcements.

INTERNATIONAL EDITION PAGE 33

International edition page 33 containing various financial notices and announcements.

STOCK EXCHANGE

Stock exchange section containing various financial notices and announcements.

STOCK EXCHANGE

Stock exchange section containing various financial notices and announcements.

Large block of text at the bottom right of the page, likely containing detailed financial data or news.

LONDON STOCK EXCHANGE

MARKET REPORT

Account Dealing Dates
Option
*First Declara- Last Account
Dealing Date Dealings Day
June 2 June 12 June 13 June 23

Recovery loses momentum and markets close little changed

Leading shares pulled out of the three-day slide early yesterday but the recovery movement was far from convincing. A more confident Wall Street market on Wednesday helped restore stability and for the first hour or so some equity sectors were reasonably busy. Professional covering of short positions—the current trading in the market—day-generated demand and “new-time” inquiry was noted for the period starting on Monday.

the State of Emergency in South Africa induced scattered small selling below the afternoon session. Barclays closed 7 better at 485p, after 485p, while West added 8 at 462p, after 462p and the new mid-pair shares improved 7 at 260p premium.

FINANCIAL TIMES STOCK INDICES
Table with columns for Government Sec, Ordinary, Gold Mines, Div. Yield, P/E Ratio, Total Returns, Equity Turnover, and Shares Traded. Includes a sub-table for S.E. ACTIVITY and a table for LONDON REPORT AND LATEST SHARE INDEX.

the recommended bid from BET. Thermal Scientific responded to the good annual results and proposed a 10p bid for the company with a gain of 22 at 490p, while DDT, still benefiting from the preliminary figures, rose 13 more to 176p. Speculative demand left VG Instruments 8 to the good at 465p. Burgess Products advanced 19 to 255p on the announcement that its oil for Colk Industries, 14 higher at 127p, had been declared unconditional. Reports of booming home computer sales stimulated fresh interest in Amstrad which advanced 11 to 580p.

Energy Trust. New London Oil, where clients of Charterhouse Investment Management are to inject around £30,000 into New London shares, put on 2 to 27p. Elsewhere, Irish issues provided a handful of firm features.

The declaration of a nationwide State of Emergency in South Africa ahead of Monday's 10th anniversary of the 1976 Soweto uprisings brought another sharp decline throughout South African sectors of mining markets. Selling pressure was also triggered by fears that the report of the Commonwealth's Eminent Persons Group will recommend the imposition of harder economic sanctions against South Africa. However, it was the prospect of a substantial increase in the civil unrest currently sweeping South Africa that prompted the latest weakness in the Rand and gold and related issues.

The Gold Mines index registered its sixth consecutive decline, closing 7.2 off at 1023, the lowest since early July 1982. Another negative performance by Anglo American Corporation, Barlow Rand dipped 13 to 240p, while falls of 10 were common to South African Breweries, 130p and Sanyo, 150p.

Platinum, on the other hand, drew support as platinum metal prices made further progress in response to worries over possible disruption to South African production. Impala moved ahead 30 to 540p and Rustenburg jumped 40 to 860p.

EUROPEAN OPTIONS EXCHANGE

Table showing European Options Exchange data with columns for Series, Vol., Last, and various option types like Call, Put, etc.

TRADITIONAL OPTIONS

First Last For Allebone, Dixons, North Kalguri, Deal- Declara- Settle- Arkerley and Hay Hill, Cadbury Schweppes, ASDA, Neil and Spencer, Rowley Group, Owners Abroad, Ryan International, Fairline Books and For retail indications see end of Unit Trust Service. Calls were arranged in Hampton Trust, Telephone Rentals.

WEDNESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List. Table with columns for Stock, No. of Wed., Day's change, etc.

YESTERDAY'S ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday. Table with columns for Stock, Closing Day's price change, etc.

RISES AND FALLS YESTERDAY

Table showing rises and falls in various stock categories like British Funds, Foreign Bonds, etc.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries.

Table with columns for EQUITY GROUPS & SUB-SECTIONS, Thursday June 12 1986, and various stock indices like FT-SE 100 SHARE INDEX.

FIXED INTEREST

Table showing Average Gross Redemption Yields for various fixed interest instruments like British Government, Local Government, etc.

NEW HIGHS AND LOWS FOR 1986

Table listing new highs and lows for various companies like AMERICANS (1), BROWERS (1), etc.

BASE LENDING RATES

Table showing base lending rates for various banks and financial institutions like ABN Bank, Allied Dunbar & Co, etc.

LONDON TRADED OPTIONS

Table showing London Traded Options data with columns for Option, Calls, Puts, and various stock options.

1 Year yield. High and low 1985; 11 am 1981; 11 am 1981; 1 pm 1977; 2 pm 1976; 3 pm 1976; 3:30 pm 1974; 4 pm 1974.

June 12, Total contracts 11,439. Calls 6,813. Puts 4,626.

WORLD STOCK MARKETS

AUSTRIA

Table of Austrian stock prices including Creditanstalt, Oesterreichische, and others.

GERMANY

Table of German stock prices including Allianz, BASF, Bayer, and others.

NORWAY

Table of Norwegian stock prices including Bergens Bank, Christiania Bank, and others.

AUSTRALIA (continued)

Table of Australian stock prices including Gen. Prop. Trust, Hartley, and others.

JAPAN (continued)

Table of Japanese stock prices including Dai-ichi Kangyo Bank, Industrial Bank of Japan, and others.

CANADA

TORONTO

Table of Toronto stock prices including AMCA, Bell Canada, and others.

MONTREAL

Table of Montreal stock prices including Bank Montreal, CIBC, and others.

BELGIUM/LUXEMBOURG

Table of Belgian/Luxembourg stock prices including A.S.L., Belg. Gen. Lux., and others.

SPAIN

Table of Spanish stock prices including Banco Bilbao, Banco de España, and others.

SWEDEN

Table of Swedish stock prices including AGA, ASAB, and others.

HONG KONG

Table of Hong Kong stock prices including Bank East Asia, HSBC, and others.

JAPAN

Table of Japanese stock prices including Dai-ichi Kangyo Bank, Industrial Bank of Japan, and others.

SINGAPORE

Table of Singapore stock prices including Boustead Holdings, Cold Storage, and others.

SOUTH AFRICA

Table of South African stock prices including Abersoon, AECI, and others.

DENMARK

Table of Danish stock prices including Andelsbanken, Balcana, and others.

ITALY

Table of Italian stock prices including Banco Com. It., BNL, and others.

NETHERLANDS

Table of Dutch stock prices including ADF Holding, AEGION, and others.

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Table of Australian stock prices including ADI Int., Adelaide Steamships, and others.

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Indices

Table of various stock indices including Australia, Austria, Belgium, Denmark, France, Germany, Hong Kong, Italy, Japan, Netherlands, Norway, Singapore, South Africa, Sweden, Switzerland, and others.

OVER-THE-COUNTER

Nasdaq national market, 2.30pm prices

Table of over-the-counter stock prices including AMD, AMEC, AMGEN, and others.

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NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Prices at 3pm, June 12

Main table of stock prices with columns for 12 Month, Stock, Div, Yld, P/E, High, Low, and various stock symbols like AAR, AGR, AIG, etc.

NYSE COMPOSITE PRICES

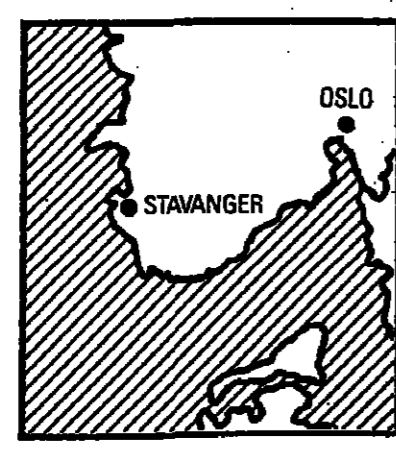
Table of NYSE Composite Prices listing various stocks with columns for High, Low, Stock, Div. Yld., P/E, 100s High, Low, and Change. Includes sub-sections like 'Continued from Page 42' and 'Special Subscription HAND DELIVERY SERVICE'.

AMEX COMPOSITE PRICES

Table of AMEX Composite Prices listing various stocks with columns for High, Low, Stock, Div. Yld., P/E, 100s High, Low, and Change.

OVER-THE-COUNTER Nasdaq national market, 2.30pm prices

Table of Over-the-Counter prices listing various stocks with columns for High, Low, Stock, Div. Yld., P/E, 100s High, Low, and Change.



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